IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FOUR

CHURCH OF SCIENTOLOGY, INTERNATIONAL, **Plaintiff/Respondent,**	)	
vs.	)	
GERALD ARMSTRONG, **Defendant/Appellant.**	)	**NO. A075027**

CLERK'S TRANSCRIPT ON APPEAL

FROM A JUDGMENT MADE AND ENTERED

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

VOLUME 1

For the Plaintiff/Respondent:

Andrew Wilson, Esq.
WILSON, RYAN & CAMPILONGO
115 Sansome Street, 4th Floor
San Francisco, CA 94104

For the Defendant/Appellant (In Pro Per):

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 94960

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

DEPARTMENT 1

CHURCH OF SCIENTOLOGY, INTERNATIONAL,
Plaintiff,

vs.

GERALD ARMSTRONG,
Defendant.

No. 157680

GARY W. THOMAS	**JUDGE**
JOHN P. MONTGOMERY	**COURT EXECUTIVE OFFICER**
ELAINE PASSARIS	**REPORTER**

For the Plaintiff:

Andrew Wilson, Esq.
WILSON, RYAN & CAMPILONGO
115 Sansome Street, 4th Floor
San Francisco, CA 94104

For the Defendant (In Pro Per):

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 94960

APR 0 8 1997

CLERK'S DECLARATION

1. **This transcript contains documents from the following cases:**

Marin County Case No. 152229 (Volume 1)

Los Angeles County Case No. BC052395 (Volumes 1 - 11)

Marin County Case No. 157680 (Volumes 12 - 35)

2. Los Angeles Case No. BC084462 documents, as requested in appellant's Notice of Designation of Clerk's Transcript, are not included in the record. This case was not included in the files transferred back to Marin County.

3. The following documents were requested in the appellant's Notice of Designation of Clerk's Transcript. They were not found in the files, even after diligent search.

a. # 29: (Defendant's Notice of Ex Parte Application and Ex Parte Application to Continue Hearing Date on OSC Re Contempt; Declaration of Ford Greene; [Proposed Order],

b. # 40: (Plaintiff's) Request for Judicial Notice of Documents Previously Filed in Church of Scientology International vs. Armstrong; and Declaration of Laurie J. Bartilson,

c. # 41: (Plaintiff's) Request for Judicial Notice of Documents; Declaration of Lauire J. Bartilson,

d. # 73: (Plaintiff's) Notice of Change of Hearing Date (Re motion for summary adjudication of cross-complaint to 8/2/94),

e. # 75: (Plaintiff's) Letter of Laurie J. Bartilson to Judge Diane Wayne re OSC re Contempt,

f. # 80: Plaintiff's) Lodging of Exhibit a to Declaration of Lawrence E. Heller,

g. # 86: Notice of Outgoing Transfer,

h. #87: Armstrong's Opposition to Ex Parte Application for Order Deeming an Incomplete File to be "complete" Declarations of Ford Greene; Sanctions Request,

i. #115: (CSI's) Notice of Entry of Order Shortening Time for briefing Schedule and Hearing Date of Motion for Consolidation and Continuance of Trial Date,

j. #122: Plaintiff's Memorandum of Points and Authorities in Support of Motion for Summary Adjudication of the Fourth, Sixth and eleventh Causes of Action of Plaintiff's second Amended Complaint and Exhibits Thereto,

k. #128: Armstrong's Evidence in Support of Supplemental Declaration in Opposition to Scientology's Motion for Summary Adjudication of the fourth, Sixth and Eleventh causes of Action of Second Amended Complaint,

l. #129: Armstrong's Supplemental Declaration in Opposition to Scientology's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Second Amended Complaint,

m. #132: Church of Scientology International's Ex Parte Application for an Order Striking Armstrong's Late-filed supplemental Declaration in Opposition to Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Second Amended Complaint, or, in the alternative, for a Order Sealing Exhibits A and M to Said Declaration; Request for Sanctions [C.C.P.. sec. 437C(i)],

n. #133: (Plaintiff's) Declaration of Laurie J. Bartilson in Support of Church of Scientology International's Ex Parte Application for an Order Striking Armstrong's Late-filed Supplemental Declaration Opposition to Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Second Amended Complaint, or, in the Alternative, for an Order Sealing Exhibits A and M to Said Declaration,

o. #134: Church of Scientology International's Memorandum of Points and Authorities in Support of Ex Parte Application for an Order Striking Armstrong's Late-filed Supplemental Declaration in Opposition to Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Second Amended Complaint, or, ion the Alternative, for an Order Sealing Exhibits A and M to Said Declaration; Request for Sanctions [C.C.P.. Sec 437C(i)],

p. #135: Armstrong's Declaration in Opposition to Ex Parte Application for Order Striking Declaration re Summary Adjudication,

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q. #136: Armstrong's Opposition to Ex Parte Application for Order Striking Declaration re Summary Adjudication

r. #148: (Plaintiff's) Notice of Lodging Video Tape as Exhibit lK in Support of Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Thirteenth, Sixteenth, Seventeenth and Nineteenth Causes of Action of Plaintiff's Second Amended Complaint,

s. #155: (Plaintiff's) Declaration of Laurie J. Bartilson in Support of Plaintiff's Opposition to Defendant Gerald Armstrong's Third Ex Parte Application Continue Hearing on Motions for Summary Adjudication,

t. #156: Plaintiff's Opposition to Defendant Gerald Armstrong's Third Ex Parte Application to Continue Hearing on Motions for Summary Adjudication,

u. #187: (Plaintiff's) Notice of Ruling (Re 10/17/95 Orders).

J. Bost

Jerri Bost, Deputy Clerk

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MARIN COUNTY CLERK
by P. Fan, Deputy

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HOWARD HANSO
MARIN COUNTY CLE

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

BC052395

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	Case No. [illegible] 157680 VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
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BY NELLY AU, DEPUTY

Case Assigned To
JUDGE DAVID HOROWITZ

Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and Bowles & Moxon, alleges:

NATURE OF THE ACTION

1. In violation of the express terms and spirit of a settlement agreement ("the Agreement") entered into in December, 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a deliberate campaign designed to aid plaintiff's litigation adversaries, breach the confidentiality provisions of the Agreement, and foment litigation, hatred and ill-will toward

SUMMONS ISSUED

plaintiff.

2. Five years ago, plaintiff Church of Scientology International ("CSI") entered into the Agreement with Armstrong, on its own behalf and for the benefit of numerous third-party beneficiaries. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Armstrong, a former Church member who sought, by both litigation and covert means, to disrupt the activities of his former faith, displayed through the years an intense and abiding hatred for the Churches, and an eagerness to annoy and harass his former co-religionists by spreading enmity and hatred among members and former members. Plaintiff sought, with the Agreement, to end all of Armstrong's covert activities against it, along with the litigation itself. For that reason, the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against plaintiff by third parties. These provisions were bargained for by plaintiff to put an end to the enmity and strife generated by Mr. Armstrong once and for all.

3. This action arises out of deliberate and repeated breaches by Armstrong of these and other express provisions of the settlement Agreement. Although plaintiff fully performed all of its obligations under the Agreement, Armstrong appears to consider that his obligations under the Agreement ended as soon as he had finished spending the money he extracted from plaintiff as the price of his signature. In June, 1991, Armstrong began a systematic campaign to

foment litigation against plaintiff by providing confidential information, copies of the Agreement, declarations, and "paralegal" assistance to litigants actively engaged in litigation against his former adversaries. Although plaintiff has repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the Agreement, Armstrong appears to delight in renewing his annoying and harassing activities, admitting to them in sworn declarations, and refusing to end his improper liaisons.

4. With this complaint, plaintiff seeks the Court's aid in obtaining the peace for which it bargained more than five years ago. Plaintiff requests liquidated damages pursuant to the terms of the Agreement, as well as injunctive relief to prevent additional and future breaches of the Agreement by Armstrong.

THE PARTIES

5. Plaintiff Church of Scientology International is a non-profit religious corporation incorporated under the laws of the State of California, having its principal offices in Los Angeles, California. Plaintiff CSI is the Mother Church of the Scientology religion.

6. Defendant Gerald Armstrong is a resident of Marin County, California.

7. Plaintiff is ignorant of the names and capacities of the defendants identified as DOES 1 through 25, inclusive, and thus brings suit against those defendants by their true names upon the ascertainment of their true names and capacities, and their responsibility for the conduct alleged herein.

/ / /

/ / /

THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, described in Paragraph 1 of this Complaint.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the church who would be willing to assist him in overthrowing Church leadership. The church obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On four separate occasions in November, 1984, Armstrong met with two individuals that he considered to be defectors, whom he knew as "Joey" and "Mike." In reality, both "Joey" and "Mike" were loyal Church members who, with permission from the Los Angeles police, agreed to have their conversations with

Armstrong surreptitiously videotaped. during the course of these conversations, Armstrong:

a. Demanded that "Joey" provide him with copies of documents published by the Churches so that he could forge documents in the same style. Armstrong wanted "Joey" to then plant these Armstrong creations in the Church's files so that Armstrong could tip off the Internal Revenue Service Criminal Investigations Division ("CID"), and the incriminating documents would be found in a resulting raid;

b. Sought to "set up" the defection of a senior Scientologist by finding a woman to seduce him;

c. Told "Joey" all about his conversations with Al Lipkin, an investigator for the L.A. CID, and attempted to get "Joey" to call Lipkin and give him false information that would implicate the church's leaders in the misuse of donations; and

d. Instructed "Mike" on the methods of creating a lawsuit against the church leadership based on nothing at all:

> ARMSTRONG: They can allege it. They can allege it. They don't even have -- they can allege it.
>
> RINDER: So they don't even have to have the document sitting in front of them and then--
>
> ARMSTRONG: F____ing say the organization destroys the documents.
>
> * * *
>
> Where are the -- we don't have to prove a goddamn thing. We don't have to prove s__t; we just have to allege it.

/ / /

Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

12. The Agreement also provided that plaintiff CSI would pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

13. CSI paid to Mr. Flynn the lump sum settlement amount.

14. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount.

15. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

FIRST CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

16. Plaintiff realleges paragraphs 1 - 15, inclusive, and incorporates them herein by reference.

17. Vicki and Richard Aznaran ("the Aznarans") are former Scientology parishioners currently engaged in litigation against, inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, Case No. CV 88-1786 JMI (Ex).

18. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.

19. While acting as the Aznarans' counsel, Yanny hired Gerald Armstrong as a paralegal to help Yanny on the Aznaran case.

20. In July, 1991, Armstrong agreed to travel from Marin County to Los Angeles and asked Yanny to pay him $500 for his proposed help.

21. In July, 1991, Armstrong did travel to Los Angeles as he had agreed, stayed with Yanny on July 15 and July 16, 1991, and provided Yanny with paralegal assistance and a declaration for the Aznaran case.

22. Yanny is former counsel to CSI, and his substitution into the case was vacated by the Court sua sponte on July 24, 1991, the Court noting that Yanny's retention as the Aznarans' counsel was "highly prejudicial" to RTC and CSI.

23. Armstrong's acceptance of employment by Yanny to work on the Aznarans' litigation is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

24. As a direct and proximate result of Armstrong's breach of the agreement by providing paralegal assistance to Yanny in the Aznarans' litigation, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than $800,000. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

SECOND CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

25. Plaintiff realleges paragraphs 1 - 15, 17-23, inclusive, and incorporates them herein by reference.

33. After Yanny entered his appearance in the Aznarans' case and indicated to CSI's counsel that he represented Gerald Armstrong

as well, CSI brought suit against Yanny in the case of Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In that action, plaintiff sought and obtained a Temporary Restraining Order and a Preliminary Injunction against Yanny, which prohibit Yanny from aiding, advising, or representing, directly or indirectly, the Aznarans or Armstrong, on any matters relating to the plaintiff.

27. At the hearings before the Court on the temporary restraining order and the injunction, Yanny filed two declarations prepared and executed by Armstrong on July 16, 1991. The declarations were offered by Yanny as part of Yanny's defense, which was ultimately rejected by the Court when it issued its injunction.

28. Armstrong's aid to Yanny in the RTC v. Yanny case is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

29. Armstrong attached as an exhibit to one of his July 16, 1991 declarations a copy of the Agreement, the terms of which he had agreed, pursuant to paragraph 18(D), to keep confidential. This disclosure of the terms of the Agreement is a violation of its non-disclosure provisions, requiring that Armstrong pay to CSI, RTC and CSC $50,000 in liquidated damages.

30. Despite demand by plaintiff, Armstrong has failed and refused to pay them the $50,000 owed in liquidated damages for this breach of the Agreement.

THIRD CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

31. Plaintiff realleges paragraphs 1 - 15, 17-23, 26-30, inclusive, and incorporates them herein by reference.

32. After Yanny's substitution into the Aznarans' case was

summarily vacated, Ford Greene was reinstated as the Aznarans' counsel of record. Ford Greene's law offices are located in San Anselmo, California.

33. In or about August, 1991, Armstrong began working in Ford Greene's office for Greene as a paralegal on the Aznarans' case. Armstrong's employment in Greene's office has continued to the present. Armstrong's activities constitute a daily and continuing breach of his contract, rendering plaintiff's bargain a nullity.

34. Plaintiff CSI has already incurred, and continues to incur, damages as a direct and proximate result of Armstrong's provision of aid to Greene in the Aznarans' case. Those damages are not presently calculable and will cease only when Armstrong is ordered to stop his improper conduct. In no event, however, are they less than $800,000. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

FOURTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

35. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34, inclusive, and incorporates them herein by reference.

36. In addition to the paralegal services which Armstrong has provided to Ford Greene on the Aznarans' litigation, Armstrong also provided the Aznarans with a declaration, dated August 26, 1991, and filed in the Aznarans' case. In that declaration, Armstrong describes some of his alleged experiences with and concerning plaintiff, and purports to authenticate copies of certain documents. These actions and disclosures are violations of Paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI and RTC $50,000 in liquidated damages.

37. Despite demand by plaintiff, Armstrong has failed and refused to comply with the liquidated damages provision by paying $50,000 to plaintiff as demanded for this breach of the Agreement.

FIFTH CAUSE OF ACTION

(Against All Defendants for Injunctive Relief)

38. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34, 36-37, inclusive, and incorporates them herein by reference.

39. As a direct and proximate result of Armstrong's breach of the agreement by providing assistance to Greene in the Aznarans' litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

40. Further, as a direct and proximate result of Armstrong's breach of the agreement by providing assistance to Yanny in Yanny's litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

WHEREFORE, plaintiff prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION

1. For compensatory and consequential damages according to proof, but in no event less than $800,000.

2. For attorneys' fees and costs of suit.

ON THE SECOND CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof, but in no event less than $800,000.

2. For attorneys' fees and costs of suit.

ON THE FOURTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE FIFTH CAUSE OF ACTION

1. For a temporary restraining order, preliminary injunction and a permanent injunction enjoining defendants from violating the terms of the Agreement.

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: February 4, 1992

WILSON, RYAN & CAMPILONGO
By:
Andrew H. Wilson

Laurie J. Bartilson
BOWLES & MOXON

Attorneys for Plaintiff
Church of Scientology
International

VERIFICATION

I, ANDREW H. WILSON, declare as follows:

I am one of the attorneys for the Plaintiff Church of Scientology International in the above-entitled matter. I have read the foregoing Verified Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe it to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed on February 4, 1992, at San Francisco, California.

ANDREW H. WILSON

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Church of Scientology of International vs Gerald Armstrong #152229

Unoposed Ex Parte Application to Correct the Court's File; Declaration ofCounsel in support; Order thereon
Order Permitting Filing of Brief in Excess of Fifteen Pages
Proof of Service
Motion to Disquality Department Five, The Honorable William H. Stephens, Purscuant to Code of Civil Procedure Section 170.6
Minutes 2/28/92
Evidence in Support of Ex Parte Application for and Order Continuing the Hearing Date on Plaintiff; Order to Show Cause Re Preliminary Injunction, or in the Alternative, for an Order Shortening Time for the Hearing Date on Joseph A. Yanny's Motion to Intervene and for the due date of Yanny's Opposition to Plaintiff's Order to Show Cause Re Preliminary Injunction, or in the Further Alternative, for and order allowing Appearance and Filing on an Amicus Curiae Brief inOpposition to Plaintiff;s Order To Show Cause Re Preliminary Injunction
Declaration of Laurie J. Bartilson
Opposition to Ex Parte Application of Non-Party Joseph A. Yanny
Order Allowing Appearance and Filing of Brief of Amicus Curaie
Declaration of Andrew H. Wilson in Support of Plaintiff's Ex Parte Application for Entry of A Temporary Restraining Order
Plaintiff's Ex Parte Application for Entry of A Temporary Restraining Order
Notice of MOtion and Motion Continuance of Hearing on Order to Show Cause/Motion Re: Prelimina Injuction; Declaration of Counsel; Memorandum of Points and Authorities in support Thereon
Declaration of Defence Counsel in support of Motion for Continuance of Hearing Date on Plaintiff's Order to Show Cause Re: Preliminary Injunction
Defendant's Opposition to Application for Temporary Restraining Order
Declaration of Lawrence E. Heller
Minutes 3/3/92
Evidence in Support of Defendant's MOtion to Dismiss, Stay, or Transfer Action to Los Angeles Superior Court
Temporary Restraining Order
Notice of Motion and Motion to Stay Proceedings or to Dismiss Complaint for Inconvenient Forum or in the alternative, to Transfer to Los Angeles Superior Court; Evidence in Support thereo Memorandum of Points and Authorities
Memorandum of Points and Authorities in support of Motion to Dismiss or Stay or Transfer to Los Angeles Superior Court
Civil calendar and Minutes 3/6/92
Supplement to Evidence submitted in Support of Plaintiff's Motion to Dimiss Stay, or Transfer to Los Angeles Superior Court
Armstrong,s Memorandum of Points and Authorities in Opposition to Scientology,s Motion for a Perliminaty Injunction
Evidence in Support of Plaintiff Opposition to Defendants MOtion to Dismiss or Stay or Transfer to Los Angeles Superior Court
Plaintiff's Opposition to Defendants Motion to Dismiss or Stay or Transfer to Los Angeles Superior Court; Request for Sanctions
Proof of Service
Evidence in Support of Defendant,s Opposition to Scientology,s Motion for Preliminary Injunct
Evidence in Support of Defendant,s Opposition to Scientology,s Motion for Preliminary Injunct
Amicus Curiae Brief of Joseph A. Yannyin OPposition to Plaintiff,s Order to Show Cause Re Preliminary Injunction
Reply in Support of Ex Parte Applicationof joseph A. Yanny to Intervene in the Armstrong II C
Appendix of Authorities in Support of Amicus Curiae Brief of Joseph A. Yanny in Opposition to Plaintiff,s Order to Show Cause Re Preliminary Injunction
Declaration of Graham E. Berry to all Evidence in Support of Amicus Curiae Brief in Oppositio to Plaintiff,s Order to Show Cause Re Preliminary Injunction, Exhibits A through BB to the Declaration of Graham E. Berry in Support of Amicus Curiae Brief

Church of Scientology of International vs Gerald Armstrong

claration of Gerald Armstrong Filed in Support of Amicus Curiae Brief of Joseph A Yanni in Opposition to Plaintiff,s Order to Show Cause Re Preliminary Injunction
Evidence in Support of Reply to Opposition to Plaintiff,s Motion for Preliminary Injunction
Notice of Lodging of Transcript of Deposition Excerpt of Gerald Armstrong taken March 17, 1992, i Religious Technology Center Center vs Yanny, Los Angeles Superior Court, Case No. BC 033035
Evidence in support of Reply to Opposition to Plaintiff,s Motion for Preliminary Injunction
Response of Plaintiff Church of Scientology International to Gerald Armstrong,s request for Evidentiary Hearing in taking an Oral Testimony
Plaintiff,s Objection to Yanny,s Amicus Curiae Brief and Motion to Intervene
Defendant Armstrong,s Reply Memorandum of Points and Authorities in support of Motion to Diamiss or Stay or Transfer to LOs Angeles Superior Court
Defandent,s Objections to Plaintiff,s Evidence submitted in Support of Preliminary Injunction
Reply to Defendants Memorandum in Opposition to the Ex Parte Application of Michael Lee Hertzberg Pro Hac Vice
Request for Evidentiary Hearing and Taking of Oral Testimony in Entraordinary Case
Erratum Re: Page 214 in Stipulation ofEvidence in United States V. Mary Sue Hubbard, U.S. District Court Washington, D.C. Criminal Case NO. 78-401
Declaration of Ford Greene on the subject of Wakefield V. Church of Scientolongy of California (11th Cir. 1991) Submitted in Opposition to order to Show Cause Re Preliminary Injunction
Evidentiary Objections to the Evidence in Support of Defendant,s Opposition to Plaintiff,s Motion for Preliminary Injunction
Proof of Service
Evidentiary Objections to the Declaration of Graham E. Berry and all attached Exhibits filed in Support of Amicus Curiae Brief in Opposition to Plaintiff,s Order to Show Cause Re Preliminary Injunction
aintiff,s Reply to Defendants Opposition to Plaintiff,s Motion for Preliminaty Injunction
Request to Conduct Film and Electronic Media Coverage and Order
Minutes 3/20/92
Proof of Service of Order Re Defendant,s Motion or Transfer to Los Angeles Superior Court
Minute Order 3/27/92 Waiver of Right to Petition for Writ of Mandate; Request for Immediate Transfer of File
Order Re Defendant,s Motion to Dismiss or Stay or Transfer to LosAngeles Superior Court
Check from Wilson, Ryan & Campilongo for $128.00 #6986

1 Reporter,s Transcript of Proceedings
4 PIF

R

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 900[illegible]
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
NOV 16 1994
HOWARD HANSO
MARIN COUNTY CLE

FILED
FEB - 4 1992
HOWARD HANSON
MARIN COUNTY CLERK
by P. Fan, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	157680 Case No. [illegible] BC052395 **APPLICATION FOR ORDER SEALING PORTIONS OF FILE** Date: February 4, 1992 Time: 1:30 p.m. Dept.: 2

FILED
APR 13 1992
JAMES M. DEMPSEY, CLERK
BY KELLY AU, DEPUTY

Plaintiff, Church of Scientology International, by its attorneys, Wilson, Ryan & Campilongo and Bowles & Moxon, hereby applies to this Court for an order: (1) sealing the Memorandum of Points and Authorities in Support of Motion for Preliminary Injunction and Exhibit A to the Declaration of Andrew H. Wilson filed in support thereof; (2) requiring all pleadings and papers submitted for filing in the referenced matter which disclose any provisions of the Settlement Agreement dated December 6, 1986 between Plaintiff and Defendant to be submitted in sealed envelopes; and (3) prohibiting the parties and their respective counsel from disclosing the contents of sealed pleadings and papers on file in this action to third parties.

DATED: February 4, 1992

Respectfully submitted,

WILSON, RYAN & CAMPILONGO

By:

ANDREW H. WILSON, Attorneys for
Plaintiff Church of Scientology
International

K

17

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 9410
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
NOV 16 1994
HOWARD HANSO
MARIN COUNTY CLE

FILED
FEB -4 1992
HOWARD HANSON
MARIN COUNTY CLERK
by P. Fan, Deputy
P. Fan

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

157680

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	Case No. BC052395 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF APPLICATION FOR ORDER SEALING PORTIONS OF RECORD**

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
BY KELLY AU, DEPUTY
Kelly Au

I. INTRODUCTION

This action was brought by the Plaintiff CHURCH OF SCIENTOLOGY INTERNATIONAL to enforce a Settlement Agreement (the "Settlement Agreement") entered into between it and Defendant GERALD ARMSTRONG on December 6, 1986. The Settlement Agreement contained a provision which required that the parties keep its terms and conditions completely confidential. Other provisions required the Defendant to maintain confidence with respect to his experiences within the Plaintiff Church, not to aid persons engaged in litigation against

WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

Plaintiff, and to refrain from disclosing his experiences within Plaintiff and his knowledge of the founder of the Scientology religion, L. Ron Hubbard.

The Declaration of Andrew H. Wilson, submitted concurrently herewith, in support of Plaintiff's application for an Order to Show Cause re Preliminary Injunction, details some of the instances in which Defendant has violated the terms of the Settlement Agreement. The sealing of the Settlement Agreement itself, and any documents referring to it is appropriate and necessary to protect the requirement of Plaintiff to keep the agreement confidential.

II. FACTS

Five years ago, plaintiff Church of Scientology International ("CSI") entered into the Agreement with Armstrong, on its own behalf and for the benefit of numerous third-party beneficiaries. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Plaintiff sought, with the Agreement, to end all of Armstrong's activities against it and other Scientology churches, organizations, and related individuals and entities, along with the litigation itself. For that reason, the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against plaintiff by third parties. These provisions were bargained for by plaintiff to put an end to the enmity and strife generated by Mr. Armstrong once and for all.

This action arises out of deliberate and repeated breaches by

Armstrong of these and other express provisions of the settlement Agreement. Although plaintiff fully performed all of its obligations under the Agreement, Armstrong appears to consider that his obligations under the Agreement ended as soon as he had finished spending the money he extracted from plaintiff as the price of his signature. In June, 1991, Armstrong began a systematic campaign to foment litigation against plaintiff by providing confidential information, copies of the Agreement, declarations, and "paralegal" assistance to litigants actively engaged in litigation against his former adversaries. Although plaintiff has repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the Agreement, Armstrong appears to delight in renewing his annoying and harassing activities, admitting to them in sworn declarations, and refusing to end his improper liaisons.

III. ARGUMENT

This Court has the inherent power to seal portions of the file, which stems from its inherent power to "control its own records to protect rights of litigants before it..." Church of Scientology v. Armstrong 232 Cal.App.3d 1060. In that case, the court reversed the lower court's decision unsealing certain portions of the record, including the settlement agreement which is at issue here. See also Champion v. Superior Court (1988) 201 Cal.App.3d 777 at 786-87; Estate of Hearst (1977) 67 Cal.App.3d. 777, 782-783; and Mary R. v. B&R Corp. (1983) 149 Cal.App.3d 308.

The United States Supreme Court has also reaffirmed this principle in Nixon v. Warner Communications, Inc. 435 U.S. 589 (1988), explaining that denial of access to judicial records may be appropriate in a variety of situations, including the protection of privacy interests.

The California courts have a strong policy of encouraging settlements and enforcing judicially supervised settlements. Phelps v. Kozakere (1983) 146 Cal.App.3d 1078, 1082; Fisher v. Superior Court (1980) 103 Cal.App.3d 434, 437. The issue faced here was present in In Re Franklin National Bank Securities Litigation (1981) 92 FRD 468 (EDNY), affirmed sub nom Federal Deposit Insurance Corp. v. Ernst (2d.Cir. 1982) 677 F.2d 230. There, the court refused to modify a confidentiality order critical to settlement of the case based upon the "strong public policy favoring settlement of disputes." Id. at 236. The principles which underlie the ruling of the Franklin litigation apply here to the sealing of the Settlement Agreement. The parties bargained for the various terms and conditions of the Settlement Agreement, including the confidentiality provision. In fact, Plaintiff would not have entered into the Settlement Agreement without the inclusion of such a provision. The various considerations which the Court found persuasive in Franklin are also present here.

The gravamen of the instant complaint is that the Defendant is engaged in a deliberate campaign against the Plaintiff Church of Scientology, consisting of numerous and repeated violations of the Agreement. Those violations include at least three instances in which the confidentiality provision of the Settlement Agreement was breached. If this Court does not seal portions of the record which discuss and/or describe the Agreement, its contents will become public. Defendant will be able to achieve his goal without concern for the consequences which should flow from a breach of the Agreement.

The only practical way to preserve the confidentiality of the agreement is to seal all protions of the record which describe the Agreement. Virtually all of the issues which will arise in this case concern the Settlement Agreement and will require the construction or consideration of various provisions of the Settlement Agreement. Sealing such portions of the record will prevent the Settlement Agreement or any portion thereof from becoming a public record. This is essential to the protection of the rights of the Plaintiff as litigant, since the right to confidentiality of the Settlement Agreement is one of the rights which Plaintiff seeks to advance and protect in this litigation.

IV. CONCLUSION

In conclusion, Plaintiff respectfully requests this Court issue its order sealing the record herein.

DATED: February 4, 1992.

Respectfully submitted,

WILSON, RYAN & CAMPILONGO

BY:____________________
ANDREW H. WILSON
Attorneys for Plaintiff
Church of Scientology
International

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

FILED
NOV 16 1994
HOWARD HANSO
MARIN COUNTY CLE

FILED
FEB - 4 1992
HOWARD HANSON
MARIN COUNTY CLERK
by P. Fan, Deputy

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

Case No. 157680

DECLARATION OF ANDREW H. WILSON IN SUPPORT OF APPLICATION FOR ORDER SEALING PORTIONS OF FILE

Date: February 4, 1992
Time: 1:30 p.m.
Dept. 2

ANDREW H. WILSON deposes and says:

1. My name is Andrew H. Wilson and I am one of the attorneys responsible for the representation of the Plaintiff in this action. I have personal knowledge of the facts set forth in this Declaration and could competently testify thereto if called as a witness.

2. The object of this action is to enforce, and recover for the breach of, the provisions of a settlement agreement (the "Agreement") entered into between Plaintiff and Defendant on December 6, 1986. The Agreement provided for mutual release of

various claims between Plaintiff and Defendant, the payment of an unspecified sum to Defendant, and contained various promises on the part of the Defendant. The most important of these promises were: (1) that the Agreement would be confidential and its contents would not be disclosed; (2) that the Defendant would not assist persons engaged in litigation adverse to Plaintiff and would, himself, not attack Plaintiff or related individuals and entities; (3) that the Defendant would not participate voluntarily in proceedings against Plaintiff unless compelled to do so by lawful subpoena or the process; and (4) that Defendant would maintain strict confidentiality and silence with respect to his experiences with Plaintiff and with respect to any knowledge or information he might have concerning the founder of the Scientology religion, L. Ron Hubbard.

3. Despite these promises, Defendant breached the confidentiality provisions of the Agreement on at least three separate occasions by providing it to counsel representing the parties involved in lawsuits against the Plaintiff: First, on March 19, 1990, the Agreement was attached as Exhibit D to a motion filed against Plaintiff herein in Corydon v. The Church of Scientology International, Inc., et al., LASC No. 694401 (Exhibit C, Motion only); second, on September 3, 1991, the Agreement was attached as Exhibit A to a declaration of the Defendant Gerald Armstrong in Asneran v. Church of Scientology of California, et al., United States District Court for the Central District of California, No. CV 088-1786-JMI (Exhibit D, Declaration only); third, on July 19, 1991 the Agreement was filed as Exhibit 1 to a declaration of Gerald Armstrong dated July 16, 1991, filed in Religious Technology Center,

et al. v. Joseph Yanny, LASC No. DC 033035.

4. In addition, Armstrong has been involved in numerous other breaches of the Agreement, including aiding persons engaged in litigation against Plaintiff, publicizing his experiences with Plaintiff and his alleged knowledge of L. Ron Hubbard, and engaging in other activities which are in breach of the Agreement. These activities are the subject of a Motion for Preliminary Injunction to be filed concurrently with the filing of the Complaint.

5. As counsel for Plaintiff, it is my belief that the issues involved in this litigation are inextricably intertwined with the provisions of the Agreement. In addition to the Agreement, the Memorandum of Points and Authorities to be filed in support of Plaintiff's Motion for a Preliminary Injunction must be sealed, as it discloses and describes portions of the Agreement. If the confidentiality of the Agreement is compromised, one of the principal issues in this litigation will thereby be rendered moot.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on February 4, 1992 at San Francisco, California.

ANDREW H. WILSON

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FILED
FEB - 4 1992
HOWARD HANSON
MARIN COUNTY CLERK
by P. Fan, Deputy

Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Defendant
GERALD ARMSTRONG

FILED
NOV 16 1994
HOWARD HANSO
MARIN COUNTY CLE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. 157680 BC052395 **DEFENDANT'S OPPOSITION TO EX PARTE APPLICATION FOR SEALING ORDER; DECLARATION OF COUNSEL; POINTS AND AUTHORITIES**

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
BY KELLY ALL, DEPUTY

ORIGINAL

Defendant GERALD ARMSTRONG, by and through his attorney, submits the following opposition to plaintiff CHURCH OF SCIENTOLOGY INTERNATIONAL's (hereinafter "SCIENTOLOGY") ex parte application for an Order seeking to seal what is purported to be a confidential settlement agreement and any other documents relating to SCIENTOLOGY's claim in this case.

DECLARATION OF FORD GREENE

FORD GREENE declares:

1. I am an attorney licensed to practice law in the Courts of the State of California and will be the attorney of record for

GERALD ARMSTRONG, defendant herein.

2. I have been served with and have reviewed a copy of a document entitled Declaration of Andrew H. Wilson In Support of Motion for Preliminary Injunction. Attached thereto Exhibit A is a document entitled Mutual Release of All Claims and Settlement Agreement ("Settlement Agreement"). I have reviewed Exhibit A and understand that SCIENTOLOGY wishes this Court to issue an Order sealing the same, and documents which make reference to the same, from the public record.

3. For reasons of public policy which shall be briefly discussed in the Memorandum of Points and Authorities submitted herewith SCIENTOLOGY's sealing request should be denied.

4. Moreover, SCIENTOLOGY's sealing request should be denied because said Settlement Agreement has been a matter of public record for almost two years.

5. On February 28, 1990, in a case styled Church of Scientology of California v. Armstrong, Case No. B025920, Division Three of the Second District Court of Appeal filed its Order granting ARMSTRONG's Petition for Permission to File Response (served by mail on February 20, 1990) in support of which ARMSTRONG attached a copy of the Settlement Agreement in a sealed envelope as an Exhibit. A true and correct copy of the Order of the Court of Appeal is attached hereto as Exhibit A.

6. On March 24, 1990, in the appellate action ARMSTRONG served his Reply to Appellants' Opposition To Petition For Permission to File Response. Attached thereto as Exhibit R was a full and complete copy of the Settlement Agreement. A true and correct copy of ARMSTRONG's Reply, without the supporting Exhibits

is attached hereto as Exhibit B. The entire document shall be available for the inspection of the Court and Counsel upon request.

7. On July 29, 1991, the Second District Court of Appeal filed its decision, certified for publication, in Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060, 283 Cal.Rptr. 917. In its opinion the Second District Court of Appeal specifically discussed and held that the appellate record was not sealed. Id. 283 Cal.Rptr. at 923.

8. On September 11, 1991, SCIENTOLOGY filed its motion in the Second Court of Appeal entitled Notice of Motion and Motion to Seal Record on Appeal; Memorandum of Points and Authorities; Declaration of Kenneth Long. For the sake of not burdening the record with a copy of SCIENTOLOGY's entire motion and supporting exhibits, ARMSTRONG attaches a true and correct copy of the Notice of Motion and the Proof of Service thereof hereto as Exhibit C. ARMSTRONG will have a copy of the entire document available for the review of the Court and counsel should such review be required.

9. On December 5, 1991, the Second District Court of Appeal issued its Order denying SCIENTOLOGY's motion to seal the record on appeal. A true and correct copy of this order is attached hereto as Exhibit D.

10. The Settlement Agreement has also been filed, unsealed, in other litigation including, but not limited to, Aznaran v. Church of Scientology, U.S. District Court, Middle District of California, CV88-1796-JMI(Ex) in which I am attorney of record for plaintiffs. Additionally, I am informed and believe that said

Settlement Agreement has been filed, unsealed, in other actions in this State, however due to the exigencies of time, I am unable at this moment to specifically identify said actions.

Under penalty of perjury pursuant to the laws of the State of California I hereby declare that the foregoing is true and correct according to my first-hand knowledge, except those matters stated to be on information and belief, and as to those matters, I believe them to be true.

Executed on February 4, 1992, at San Anselmo, California

FORD GREENE

MEMORANDUM OF POINTS AND AUTHORITIES

The Second District Court of Appeal when addressing the appeal of the Scientology Organization of decision of Judge Breckenridge, the trial judge in this case below, stated:

> To prevent secrecy in public affairs public policy makes public records and documents available for public inspection by . . . members of the general public . . . If the public court business is conducted in private, it becomes impossible to expose corruption, incompetence, inefficiency, prejudice and favoritism. For this reason traditional Anglo-American jurisprudence distrusts secrecy in judicial proceedings and favors a policy of maximum public access to proceedings and records of judicial tribunals. Thus, in Shepard v. Maxwell (1966) 384 U.S. 333, 350, the court said it is a vital function of the press to subject the judicial process to 'extensive public scrutiny and criticism' And the California Supreme Court has said, it is a first principle that the people have a right to know what is done in their courts. [Citation.]

Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 283 Cal.Rptr. 917, 921.

"The law favors maximum public access to judicial proceedings and court records. [Citations.] Judicial records are historically and presumptively open to the public and there is an important right of access which should not be closed except for compelling countervailing reasons." Champion v. Superior Court (Boccardo) (1988) 201 Cal.App.3d 777, 788, 247 CR 624 citing Panthos v. City and County of San francisco (1984) 151 Cal.App.3d 258, 262-63, 198 CR 489. Thus, courts "must be vigilant to ensure that nothing presented to the court is sealed without a strong justification." Champion, 201 Cal.App.3d at 788.

The instant application is the latest of a long and ongoing history of litigation between Mr. Armstrong and the Scientology organization (although to defendant's knowledge it is the first instance in this jurisdiction). An insufficient showing has been made to justify the sealing request herein.

Indeed, to grant the request would give a veneer of legitimacy to SCIENTOLOGY's claims against ARMSTRONG which the Court of Appeal has declined to honor. The Settlement Agreement is a matter of public record, and has been so for almost two (2) years.

The Marin County Superior Court should treat it no differently.

Respectfully submitted:

DATED: February 4, 1992

HUB LAW OFFICES

By:____________________
FORD GREENE
Attorney for Defendant
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents:DEFENDANT'S OPPOSITION TO EX PARTE APPLICATION FOR SEALING ORDER; DECLARATION OF COUNSEL; POINTS AND AUTHORITIES

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

[ ] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] Personal Service) I caused such envelope to be delivered by hand to ANDREW H. WILSON.

[ ] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

DATED: February 4, 1992

____

EXHIBIT A

B 28 1990
EA

OF APPEAL - SECOND DIST.
ILED
FEB 28 1990
RT N. WILSON Clerk
Deputy Clerk

ORIGINAL

MAR - 9 1990

Permission to file respondent's brief GRANTED
Time to file respondent's brief extended to 60 days after date of this order.

3-22-90

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE

CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al.,
Plaintiffs-Appellants,
v.
GERALD ARMSTRONG,
Defendant-Respondent
MARY SUE HUBBARD
Intervenor.

Case No. B025920
LASC No. C420153

RESPONDENT'S PETITION FOR PERMISSION TO FILE RESPONSE AND FOR AN EXTENSION OF TIME TO FILE RESPONSE

I am the respondent Gerald Armstrong. I am petitioning this court at this time for permission to file a respondent's brief in this appeal and for an extension of time in which to file a respondent's brief or other appropriate document.

1. Permission to File:

The unusual need for this court's permission to file a respondent's brief arises from a condition contained in a document entitled MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT signed by me December 6, 1986, a copy of which is attached hereto in a sealed envelope as Exhibit A. I have no objection to this document being unsealed.

Para. 4A of the settlement agreement allowed appellants to maintain their appeal, no. B005912, which had been filed in 1984, although the case was ostensibly settled. Para. 4B contains the condition that I "waive any rights [I] may have to oppose (by responding brief or any other means) any further appeals taken by the Church of Scientology of California."

I have recently become convinced that it would be a fraud upon this court to not advise it that the respondent is prohibited from filing a brief. I am also now convinced that my right to file a respondent's brief is not something that can be taken away by such a settlement agreement.

I have discovered, moreover, that "the failure to file respondent's brief imposes an unnecessary burden on [the] court, and at least raises the inference that respondent concedes that the appeal is meritorious," Sowell v. Sowell, 164 Cal. App. 2d 371, 330 P.2d 391 (1958), Yarbrough v. Yarbrough, 144 Cal. App. 2d 610, 301 P. 2d 426 (1956); that the court "may assume . . . that the respondent has abandoned any attempt to support the judgment, and . . . may also assume that the points made by the appellant are meritorious," Roth v. Keene, 256 Cal. App. 2d 725, 64 Cal. Rptr. 399 (1967); and that the court "shall regard with disfavor the failure of a respondent in any case to assist the court by means of an answering brief," James v. James, 125 Cal. App. 2d, 417, 270 P.2d, 538 (1954).

I am therefore requesting this court's permission to file a respondent's brief, motion for dismissal or other responsive document.

2. Extension of Time to File:

I received Appellants' Brief and Appellants' Supplemental Appendix in Lieu of Clerk's Transcript from Flynn, Sheridan & Tabb on January 18, 1990. I have not yet received Appellants' Appendix.

I am not an attorney and I am not represented by legal counsel in any Scientology matters at this time. Neither Flynn, Sheridan & Tabb nor Contos & Bunch, both of which firms represented me throughout the litigation of this case in the lower court, will be representing me in this appeal. It is my intention to retain an attorney to represent me in this appeal if at all possible.

Appellants had five and a half years from the date the trial court issued its Decision to the date they filed their brief.

Appellants have filed another appeal, entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant, Bent Corydon, Appellee,Civ. No. B 038975 in Division Four in the Second Appellate District, which has its genesis in the same case underlying this appeal, Super. Ct. No. C420153, and concerns many of the same facts and issues as this appeal. I am at this time also petitioning the Division Four Court for permission to respond in that appeal.

There remain a number of issues springing from the settlement agreement, appellants' actions in violation of the agreement, and appellants' obstructive and threatening use of the agreement, which this court does not have to consider in order to grant my petition, but which I will be addressing as soon as possible by motion or other appropriate action in the Los Angeles Superior Court, which retains, pursuant to clause 20 of the settlement agreement, jurisdiction to enforce its terms.

I therefore request 90 days from the date of this court's granting of this petition in which to file a respondent's brief or other responsive document.

DATED: February 20, 1990

Respectfully submitted

G. A

GERALD ARMSTRONG

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business adress is 7140 Buckingham Blvd., Berkeley, CA 90475.

On February 20, 1990 I caused to be served the foregoing document described as RESPONDENT'S PETITION TO FILE RESPONSE AND FOR AN EXTENSION OF TIME TO FILE RESPONSE on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Oakland, California, addressed to the persons and addresses specified on the service list attached.

Executed on February 20, 1990 at Oakland, California.

SERVICE LIST

COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE
3580 Wilshire Blvd., Room 301
Los Angeles, California 90010

ERIC M. LIEBERMAN, ESQ.
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
740 Broadway, Fifth Floor
New York, New York 10003-9518

MICHAEL LEE HERTZBERG, ESQ.
275 Madison Avenue
New York, New York 10016

MICHAEL J. FLYNN, ESQ.
FLYNN, SHERIDAN & TABB
One Boston Place, 26th Floor
Boston, Massachusetts 02108

JULIA DRAGOJEVIC, ESQ.
CONTOS & BUNCH
5855 Topanga Canyon Blvd., #400
Woodland Hills, California 91367

CLERK OF THE SUPERIOR COURT
111 North Hill Street
Los Angeles, California 90012

EXHIBIT B

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

1. I am the defendant in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Attached hereto as Exhibit A is a copy of the Armstrong decision rendered by Judge Paul G. Breckenridge Jr. on June 20, 1984. A cross-complaint I filed against plaintiff Scientology organization and other Scientology organizations, hereinafter referred to as "the organization," was bifurcated from the underlying case on motion of the organization and did not go to trial as it settled on December 11, 1986. The settlement agreement included delivery of certain documents from the underlying case to the organization and allowed the organization to maintain its appeal from the Armstrong decision then pending in the California Court of Appeal, Second Appellate Division as No. B005912. On December 18, 1986 the Court of Appeal, whose decision is attached hereto as Exhibit B, dismissed the organization's appeal, reasoning that there would be no appealable final judgment until after trial of the cross-complaint.

2. On October 11, 1989 I was served at my home with a subpoena duces tecum, a copy of which is attached hereto as Exhibit C, in the case of Bent Corydon v. Church of Scientology International, Los Angeles Superior Court No. C 694401. The subpoena, issued by Toby Plevin, attorney for Mr. Corydon, orders my appearance to testify at a deposition and to produce the agreements, releases and any other documents relating to the settlement I had entered into with the organization.

3. Within a few days of service Ms. Plevin telephoned to confirm that the deposition venue was acceptable to me, to advise me that the

October 20 deposition date would probably be changed, and to ask me for alternative dates which would be convenient for me. We spoke two or three times by telephone over the next week or so to set or cancel dates. During one of our conversations she informed me that she had received "a threatening letter" concerning my deposition from attorney Larry Heller, who I knew to be an attorney of record for various Scientology-related organizations and individuals, and to have a supervisory role in virtually all the organization's legal matters. Ms. Plevin read me parts of Mr. Heller's letter in which he stated that it was inconceivable that I had any information relevant to Mr. Corydon's lawsuit, that Ms. Plevin was seeking to breach the settlement agreement by proceeding with my deposition, and that should my deposition ever go forward he would apply to the court for sanctions. It became apparent to me during this conversation with Ms. Plevin that I was very important to both sides in the Corydon litigation and that I was again intensely involved with the organization and could not avoid involvement.

4. On October 23 I received a telephone call from Mr. Heller. He stated that his client would seek a protective order to prevent the deposition from going forward but that it probably would anyway. He asked if I would have an attorney at the deposition, and I said that Michael Flynn (who had represented me in Armstrong) did not wish to be involved, that so far I did not have another attorney for the deposition, and that it was likely I would not. Mr. Heller then offered to have his client pay for an attorney for me to be present at the deposition. I asked if it could be an attorney of my choice, and he said that he didn't see any problem but would need to ensure that the attorney would do what his client wanted. He said that to maintain the settlement agreement I could only answer questions by court order, that I should refuse to answer the deposition questions and force Mr. Corydon to

get an order from the court compelling me to answer. I said I would have to think about the problem and get some advice. Mr. Heller gave me his phone numbers and asked me to call him back within two days.

5. Following my conversation with Mr. Heller I called my attorney Michael Flynn who had negotiated the settlement of my lawsuit and similar settlements on the same date for several other individuals. I informed him of Mr. Heller's offer and he said that Mr. Heller had called him earlier and offered to pay him to attend my deposition to prevent my testifying. Mr. Flynn said that he had refused the offer and reiterated that he did not wish to be involved in any way in Scientology-related litigation. I confirmed with him that nothing in the settlement agreement proscribed my obtaining assistance or advice from anyone currently involved in litigation against the organization.

6. I then called Ms. Plevin, told her of the organization's offer to pay for an attorney for me at the deposition, and asked her if she and Mr. Corydon could match the offer. She said that she is a sole practitioner, that she and Mr. Corydon are keeping the lawsuit going on a shoestring, and that they could not pay for my attorney. She said, moreover, that even if she and Mr. Corydon could afford it they would not pay for an attorney for me because it would be unethical.

7. On October 25 I called Mr. Heller to tell him I considered it inappropriate for the organization to pay for an attorney for me. He said he had a problem with me responding to deposition questions concerning such things as L. Ron Hubbard's misrepresentations or my period as Mr. Hubbard's archivist in the organization. He said he wanted to have an attorney present to instruct me not to answer such questions so that Mr. Corydon would have to move to compel an answer. He said that if the court

ordered sanctions for my refusal to answer his client would indemnify me. He said I had a contractual obligation to the organization, which it had paid a lot of money for, not to divulge confidential information, and that if I answered I would have breached the settlement agreement and may get sued. He said he recognized that I was in the middle and that my safest position was to refuse to answer, make Mr. Corydon bring a motion to compel and let the court be the final arbiter.

8. This and other threats, other events and circumstances following the settlement, and my present level of importance to and involvement with the organization have impelled me to write this declaration. It is my opinion that some of the settlement conditions are unenforceable, that the organization is attempting to enforce them in a manner which is inconsistent with the spirit of settlement, and that these conditions and their attempted enforcement consititute an on-going obstruction of justice and violation of my and others' First Amendment rights. The purpose of this declaration is to make known this situation, to demonstrate certain conditions' unenforceability, and to support an action to have them so adjudged by the court with jurisdiction to enforce the terms of the settlement agreement. I am also providing this declaration to parties and lawyers involved in the correction of legal abuses.

9. On November 1, 1989 Mr. Heller, on behalf of Author Services, Inc. (ASI), a defendant in Corydon, filed a motion "to Delay or Prevent the Taking of Certain Third Party Depositions," a copy of which is attached hereto as Exhibit D. At page 4 Mr. Heller states:

> "One of the key ingredients to completing these settlements, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology parishioner or staff member's experiences within the

Church of Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members or parishioners; and (3) the terms and conditions of the settlements themselves."

10. The complete text of the settlement ingredient Mr. Heller has capsulized, paragraph 7D, reads:

"Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff."

11. It is my opinion that the conditions of this paragraph are unenforceable for two reasons: a. the organization's actions since the settlement have rendered them invalid; b. they are so broad and at the same time so restrictive that, even if the organization had not acted to invalidate them, they deny me, on their face, several inalienable rights and are therefore against public policy.

12. Paragraph 7B of the December 1986 settlement agreement reads in part:

"Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees."

13. Paragraph 8 of the December 1986 settlement agreement reads:

"Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date."

14. I am including these two paragraphs because they contain what to me is essential in the settlement agreement, and they show that my rights arising out of the conduct of the organization following the settlement are not waived or relinquished.

15. Sometime in the fall of 1987 I received a copy of a document, pages 11, 12, 18 and 29 from which are attached hereto as Exhibit E, created and circulated by the organization to discredit Bent Corydon who had written a book entitled L. Ron Hubbard, Messiah or Madman? which had been published in August that year. Mr. Corydon had interviewed me several months before the settlement and had used some of my statements from the interview, my trial testimony in Armstrong, and from declarations I had written during the pre-settlement litigation in his book.

16. At page 29 of their retort the organization states:

"Corydon has used a description of the RPF provided by Gerry Armstrong, among others. Armstrong's description in this book,however, is completely contrary to his own previous sworn affidavit about the RPF.

"Gerry Armstrong's description of the RPF in Corydon's book can also be viewed in light of Armstrong's numerous false claims and lies on other subject matters. See chapter on Corydon as an "author" for further information on Gerry Armstrong's incompetence as a researcher."

17. The chapter on Mr. Corydon as author contains the statement at page 12:

"Gerry Armstrong, another one of Corydon's main sources in the book, claims that L. Ron Hubbard " ... did not spend several years throughout Asia," and that Mr. Hubbard's total time in Asia was "a few weeks."

L. Ron Hubbard, in fact, was in Asia and the Orient several times during a three-year period , during which his travels were quite extensive."

These paragraphs concern my experiences in the organization as Mr. Hubbard's archivist and biographical researcher and my knowledge of Mr. Hubbard's history, and I consider that I have a right to reply.

18. The organization states at page 18 of its retort:

"Homer [Schomer] had testified in 1984 in a court case brought by the Church of Scientology against Gerald Armstrong (a former staff member who had stolen valuable documents from Church archives).

In the Christofferson case, Schomer admitted to having committed perjury in the previous Armstrong case."

I believe the organization is in violation of the settlement agreement by discussing the Armstrong case.

19. The organization states at page 11 of its retort:

"Corydon goes on to say that tens of millions of dollars paid for services delivered to Church members at the Flag organization were channeled into Hubbard's personal accounts.

There is no documentation to support this statement by Corydon. In fact, his claims are based on nothing more than hearsay, rumor and lies gathered from a small cabal of thieves, perjurers and disreputable sources."

While working on a project for Mr. Hubbard I acquired the knowledge that millions of dollars of organization money had been channeled into his accounts, I wrote a number of declarations containing this information after leaving the organization, and I know the other individuals who had this and similar knowledge and who were Mr. Corydon's sources for his statement. To denominate us "a small cabal of thieves, perjurers and disreputable sources" I believe is scandalous.

20. On October 7, 1987 I received a call from Michael Flynn who relayed to me a message from Earle C. Cooley, one of the organization's principal attorneys, concerning the then proceeding trial in London, England of a lawsuit the organization had brought against a writer, Russell Miller. Mr. Miller had interviewed me in Boston, Massachusetts in 1986, some months before the December settlement, for a biography of L. Ron Hubbard. According to Mr. Flynn, Mr. Cooley stated that it had been disclosed during the trial that Mr. Miller possessed documents in violation of sealing orders in Armstrong, and he threatened that if I talked to any of the attorneys or parties involved in the trial the organization would view it as a breach of the settlement agreement.

21. In early 1988 I received copies of various documents, attached hereto as Exhibits F to K, from the case of Church of Scientology of California v. Russell Miller & Penguin Books Limited in the High Court of Justice, Case No. 6140. The organization had unsuccessfully sought pre-publication suppression of Mr. Miller's book, which he titled Bare-Faced Messiah, and it was published and distributed immediately following the October 1987 trial.

22. Attached hereto as Exhibit F is a copy of an affidavit of Kenneth David Long dated October 5, 1987, and the exhibits or partial exhibits thereto that so far I have in my possession. The purpose of Mr. Long's affidavit, as it relates to me, was to try to convince the English Court that I had provided documents to Mr. Miller in violation of various California Courts' sealing orders.

23. In pages 3 through 8 Mr. Long gives the organization's version of my job description and actions as Mr. Hubbard's biography researcher and archivist, the contracting of Omar V. Garrison to write the biography, and the procedural history in Armstrong from the filing of the complaint up to the settlement. At page 9 Mr. Long states that "following the trial the Church sought and obtained a series of sealing orders which effectively maintained the sealing of the trial exhibits right up to and including December 1986." He then identifies a number of documents Mr. Miller had quoted from in Bare-Faced Messiah: Mr. Hubbard's Boy Scout Diary, a letter to Mr. Hubbard from his mother, a letter from Mr. Hubbard to his first wife, Polly, a letter to the Cape Cod Instrument Company, a journal Mr. Hubbard kept while in the navy, three diaries from 1927 to 1929, and Mr. Hubbard's "Tentative Constitution for Rhodesia." Mr. Long also states that each of these documents "has never been unsealed or made available to the general public."

24. At page 13 of his affidavit Mr. Long, without providing any further elucidation, states, "I also know that Mr. Armstrong refused to obey an order of the court, and retained possession of documents which he had been ordered to surrender to the court for safekeeping under seal." He then concludes that "it is my belief that the documents quoted and paraphrased in Mr. Miller's manuscript were furnished to Mr. Miller by Mr. Armstrong, and that they could not have been furnished to Mr. Miller by anyone else as no one else other than Mr. Armstrong had access to these documents."

25. The exhibits Mr. Long identified and appended to his affidavit included the following:

a. A copy of my W-2 Wage and Tax Statements for 1977 and 1978. This document, which I have attached to Mr. Long's affidavit, shows the court's exhibit sticker indicating it was admitted into evidence in Armstrong.

b. A copy of an affidavit I executed on April 12, 1980 while in the organization. This document, the first page of which I have attached to Mr. Long's affidavit, was also admitted into evidence in Armstrong.

c. A copy of my petition to Mr. Hubbard to assemble his archives for a biography. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

d. A non-disclosure and release bond executed by me on March 18, 1977. This document, the first page of which I have attached to Mr. Long's affidavit, shows the court's exhibit sticker indicating it was admitted into evidence in Armstrong.

e. A copy of my dispatch of February 22, 1980. This document, which is presently unavailable to me was admitted into evidence in Armstrong.

f. A copy of my dispatch of May 14, 1980. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

g. A copy of the agreement dated October 30, 1980 between Omar Garrison and AOSH DK Publications. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

h. A copy of a letter of November 14, 1980 from AOSH DK Publications regarding the Hubbard biography project. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

i. A copy of a resolution adopted by the organization's board of directors providing an assistant to Mr. Garrison. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

j. A copy of my letter of December 12, 1981 resigning from my position as Mr. Hubbard's researcher. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

k. A copy of pages 313 to 323 of my deposition testimony of August 1, 1986 in the case of Michael J. Flynn v. Church of Scientology International in the US District Court Central District of California, Case No. CV8504853R. I have attached these pages as an exhibit to Mr. Long's affidavit herewith.

26. Attached hereto as Exhibit G is a copy of a second affidavit of Mr. Long dated October 5, 1987 which was filed in the Miller case. In pages 2 through 16 of this affidavit Mr. Long again reviews the Armstrong litigation, expands his analysis of the case's various sealing orders, and again designates several documents he claims I gave Mr. Miller in contravention of those orders.

27. At page 9 of his affidavit Mr. Long identifies three diaries written by Mr. Hubbard between 1927 and 1929 and charges that Mr. Miller or Jonathan Caven-Atack, who had assisted Miller with his research, possessed them in violation of a sealing order in Armstrong. Mr. Long goes on to state at page 10: "I am certain that the only possible source for the diaries attached by Mr. Caven-Atack as Exhibit JC-A4 is Mr. Armstrong and/or his counsel."

28. In pages 11 to 15 of his affidavit Mr. Long describes a letter to Mr. Hubbard from his mother, Mr. Hubbard's Boy Scout diary, and a letter from Mr. Hubbard to his first wife, Polly, and alleges that Mr. Miller or Mr. Caven-Atack obtained these documents from me in violation of the Court's sealing orders.

29. At page 16 Mr. Long describes three letters from Mr. Hubbard to Helen O'Brien and goes on to state: "All three of these letters were surrendered to the Clerk of the Court by Mr. Armstrong and his counsel in September 1982, and all remained under seal until they were returned to the Church in December 1986. Mr. Miller's inclusion of the information cited herein clearly shows additional breaches of confidence and violation of the orders issued by the California courts."

30. I consider that Mr. Long's assertions of what documents were sealed, when they were sealed and where they originated are erroneous, and his conclusion that I had violated the Los Angeles Superior Court's sealing orders fallacious.

31. Attached hereto as Exhibit H is a copy of a third affidavit of Mr. Long dated October 5, 1987 and filed in the Miller case. At page 4 Mr. Long repeats his accusation that "the evidence is irrefutable that the great majority of these biographical documents were obtained by Mr. Caven-Atack and Mr. Miller in violation of court sealing orders." And he states: "Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in Church files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity."

32. Attached hereto as Exhibit I is a copy of pages 1 and 4 of an affidavit of Sheila MacDonald Chaleff dated October 5, 1987 which was filed in Miller. I do not at present have pages 2 and 3. Ms. Chaleff, whom I do not know, states at page 4: "Mr. Armstrong is known to me to be a US government informant who has admitted on video tape that he intended to plant forged documents within the Church of Scientology and then using the

contents to get the Church raided where these forged documents would be found and used against the Church."

33. Attached hereto as Exhibit J is a copy of an affidavit of Mr. Long dated October 7, 1987 and filed in Miller. The copy I have is missing a page at paragraphs 4 to 7. At paragraph 2 Mr. Long describes his responsibilities:

"I have been deeply involved in the litigation of (Armstrong) since the inception of that litigation on August 2, 1982. During the course of my participation in that litigation, I personally inventoried the materials surrendered pursuant to court order to the Clerk of the Los Angeles Superior Court in September 1982 by Gerald Armstrong and his counsel. I also attended almost every deposition and/or pre-trial proceeding held in that case, and was present as an assistent to counsel throughout each day of the trials proceedings in May and June, 1984." At paragraph 7 Mr. Long concludes: "There is no legal way that Mr. Armstrong, Mr. Miller and/or Mr. Newman could have possession of these materials."

34. At paragraph 9 Mr. Long identifies a document he has written entitled "A Chronological History of Major Armstrong Case Orders," and at paragraph 10 he describes the security operation he and a staff maintained throughout the life of the Armstrong documents as their fate was decided by various courts:

"...I maintained, along with my staff, a daily check with each court in which a temporary stay order was pending in order to ensure that I learned the minute a ruling was issued. So before the trial court received any order vacating a sealing order, the Church obtained another order sealing them up again. In actuality, it took 3-5 days for the trial court to receive a vacating order from the Higher Court and before rescript I would personally hand deliver a new stay order. In addition, I also had my staff maintain a watch over the area of the court where these documents were kept during each so called "window" period and no one viewed and/or copied the materials." Mr. Long concludes that"(t)here can be no doubt that the documents in issue herein, no matter through whom they were funneled to Mr. Miller, originated from Mr. Armstrong, in violation of court orders."

35. At paragraph 15 Mr. Long argues the matter of the Helen O'Brien letters:

"Gerald Armstrong was the only person that had these letters and he knowingly violated several court orders -- the August 24, 1982 court order to turn in all materials to the court and the June 20, 1984 court order sealing the documents. He obviously didn't keep them sealed since Mr. Newman and Mr. Miller have copies and he didn't turn in all copies of the letters when ordered, since as a condition of settlement Mr. Armstrong turned in any materials he had concerning LRH or the Church. I personally inspected the documents he turned in in January 1987 and among them were the three Helen O'Brien letters, letters that he was ordered to turn into the court."

36. The text of the settlement agreement relating to documents, Paragraphs 7E and 7L, reads:

"E. With exception to the items specified in Paragraph 7L, Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and other items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV 85-0440-HLH(Tx), presently in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal."

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach."

37. I believe the provisions of Paragraphs 7E and 7L are unenforceable because the organization has itself violated the intent of the settlement agreement by acting improperly with the documents entrusted to it, by its own violations of sealing orders, and by its failure to deliver to me my documents in reciprocity.

38. Attached hereto as Exhibit K is a copy of an affidavit of Mr. Long dated October 8, 1987 and filed in Miller. Mr. Long responds to explanations in additional affidavits of Mr. Miller and Mr. Caven-Atack concerning sources and routes for their Hubbard documents. Mr. Long concludes again that "there is no doubt that the documents in question in the suit were improperly obtained in violation of Court Orders and in Breach of Confidence." He also quotes in his affidavit from the transcript of a hearing

of April 23, 1984 in Armstrong, a declaration of Michael Flynn from "another church case," and a comment of my lawyer Julia Dragojevic at a deposition of Homer Schomer.

39. Mr. Long also identifies, produces and quotes from an affidavit of mine dated March 7, 1986, a copy of which I have attached hereto as Exhibit L. This affidavit was filed in Tonja Burden v. Church of Scientology of California, et al. U.S. District Court, Middle District of Florida, Tampa Division, Case No. 80-501-Civ-T-17. The organization settled this case in 1986 and had the case file sealed.

40. On December 21, 1988 I received a call from Michael Flynn who relayed a message from Michael Lee Hertzberg, one of the organization's leading lawyers. Paul Morantz, Bent Corydon's attorney in one or another case, filed a motion to unseal the Armstrong court file. Judge Geernaert, who had inherited the Armstrong file after Judge Breckenridge retired, allowed the unsealing. The organization had 30 days to appeal. They wanted me to file a pleading to keep the court file sealed. They said that otherwise the "pig document" would come out. (This document, which was specifically sealed by Judge Breckenridge, was a recitation of a dream I had in 1985.) They also stated that if I didn't file something it would unsettle the settlement. They said they have a case on point. They said it would be bad for me. I could have to give the (settlement) money back. Mr. Flynn translated the facts to me: "It's a veiled threat." I said my decision at that time was to do nothing.

41. On December 22, 1988 Mr. Flynn called to tell me he had received the organization's petition for a writ of supersedeas. He said the case Mr. Hertzberg had been citing regarding unsettling the settlement involved a doctor who molested a minor patient. As part of the settlement

the file was sealed. Mr. Flynn said he was unsure how the case applies to what the organization wanted me to do. He said the court didn't get to the point of dealing with unsettling the settlement. I said I would still do nothing.

42. On December 27, 1988 I again spoke by telephone with Mr. Flynn who had himself spoken to lawyers on both sides of Mr. Corydon's litigation. This is what I considered relevant at the time: Following Judge Geernaert's unsealing of the Armstrong court file, the organization filed a petition for a writ of supersedeas claiming the sealing of the file was consideration for settlement. In his response Paul Morantz filed some settlement documents, a notary seal from the State of Pennsylvania on which identified Bill Franks, like me a former organization executive and witness in various organization-related cases, as their source. Mr. Franks had sent the documents to a lawyer to look at and the lawyer gave them to another lawyer who gave them to Mr. Morantz. The organization reacted. They claimed to have "the smoking gun," the proof of settlement violations. They charged that there are numerous breaches: they knew last summer that Mr. Franks had spent time with the Aznarans (who I understood to be organization executives who had recently defected and had sued the organization); and they had some instance of Homer Schomer doing something three weeks before. Mr. Flynn advised me he was going to file a pleading to say that the settlement documents should remain sealed. I said I felt the court file should be unsealed and almost certainly would be at some point, but that I wouldn't do anything at that time. Around November 15, 1989 I received from Ms. Plevin a copy of a document entitled "Response of Gerald Armstrong to Opposition Filed By Real Party in Interest, Bent Corydon" which is attached hereto as Exhibit M.

43. On November 18, 1989 I received a copy of a videotape of me edited from illegal videotapes made in 1984 by organization operatives and used thereafter against me. This copy had been given to the London Sunday Times, along with a package of documents concerning me which I do not yet have, in late 1987 or early 1988. Taped to the cassette is the business card of Eugene M. Ingram, the organization's private detective who set up the illegal videotaping. A copy of one side of the video cassette showing Mr. Ingram's card is attached hereto as Exhibit N.

44. On November 20, 1989 I received a call from Mr. Heller who said he wanted to talk me into giving the organization a declaration. He said Homer Schomer, who had also been subpoenaed to testify at a deposition in Corydon, had given them a declaration. Mr. Heller said it was very simple and straightforward, just two things: that I'd had either no or minimal contact with Mr. Corydon in the organization; and that subsequent to leaving I had received no information regarding him. Mr. Heller said that my signing a declaration to help ensure the deposition doesn't go forward would be of assistance to the organization and me. He said we would both have hassles if my deposition goes forward. I told Mr. Heller that it would be inappropriate and I couldn't give him the declaration. I said that I know Mr Corydon quite well. Mr. Heller said that the organization and he did not see me as a relevant witness but a way for Corydon's attorneys to leverage a settlement. I said I saw myself as a relevant witness. I said, "From everything I've seen that's going on and everything I've heard that's going on and knowing my history and the issues I cannot see ducking (the deposition) at all. The truthful declaration would be that I would see that my experiences and my knowledge of Bent would be relevant to his case." Mr. Heller said that if I thought I would be helping Bent Corydon by

appearing, I might, but that for sure he would never help me. He said only the organization would ever help me. He stated that I should assist the organization because it had honored its agreement. He said that the organization had signed a non-disclosure agreement as well and as far as he knew had lived up to its agreement. When I paused in answering he said that if there had been any violations he wanted to know and he would rectify the problem. I said, "I think you could check with Ken Long on what has been done regarding Gerald Armstrong subsequent to the settlement. Just get from him everything that's been filed regarding Armstrong, all his declarations regarding me, all the so-called false report corrections that have been put out subsequent to the settlement, any time the so-called "Armstrong Operation" videotape has been used subsequent to the settlement." Mr. Heller reiterated at the end of our conversation that if I start to testify, for example about the Hubbard biography project, or things he and the organization consider irrelevant, they will carefully examine their rights as to what action they will take. He said he strongly suggested that I refuse to answer subject to attorney instruction. He said I had a contractual obligation as far as he could tell.

45. The provisions of the settlement agreement relating to testifying, Paragraphs 7G and 7H, read:

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organization aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in an manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed."

46. It is my opinion that these provisions are unenforceable because the organization is using them in a coercive and obstructive manner, because on their face they deny equal justice to anyone who would engage the organization legally, and because they are suppressive of several basic rights: speech, assembly, safety, happiness.

47. On November 30, 1989 I attended a hearing in Corydon of the organization's motion to prevent my deposition from going forward before Judge Norman Epstein in the Los Angeles Superior Court. Judge Epstein ruled that the deposition would go forward and it is now set for April 12 and 13, 1990.

48. While at the hearing I was served with a subpoena duces tecum, a copy of which is attached hereto as Exhibit O, ordering me to appear as a witness in the trial of Religious Technology Center, et al. v. Joseph Yanney, et al., Los Angeles Superior Court Case No. C690211. The subpoena also orders the production of the settlement agreement. The Yanney trial is at this date proceeding before Judge Raymond Cardenas in department 41.

49. On January 18, 1990 I received from Flynn, Sheridan and Tabb, the law firm which had represented me in Armstrong, a copy of a new appeal, No. B025920, which the organization had filed on December 21, 1989

in Division Three of the Second Appellate District in the California Court of Appeal. In this appeal the organization seeks a reversal of the Breckenridge decision (Exhibit A).

50. On January 30, 1990 I received from Flynn, Sheridan & Tabb the "Reply Brief of Appellants and Response to Cross-Appeal" filed in Division Four of the Second Appellate District in the Court of Appeal in a case entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant; Bent Corydon, Appellee, Civ. No. B038975. In this appeal the organization is seeking a reversal of Judge Geernaert's decision unsealing the Armstrong case file.

51. On February 15, 1990 I received a telephone call from attorney Michael Tabb, a partner of Michael Flynn, who said that he had been called by Larry Heller who told him that the organization considered I had violated the settlement agreement by being in the courthouse to be served in Yanney, that they intended to prove it, and that I would be sued.

52. On February 20, 1990 I executed a document I titled "Respondent's Petition for Permission to File Response and for an Extension of Time to File Response," a copy of which is attached hereto as Exhibit P, and had it mailed to the Court of Appeal. The document was filed in the Armstrong appeal, No. B025920, in Division Three on February 28.

53. On February 21, 1990 I executed a document I titled "Defendant's Petition for Permission to File Response and for Time to File," a copy of which is attached hereto as Exhibit Q, and had it mailed to the Court of Appeal. This document was filed in the Corydon appeal, No. B038975, in Division Four on March 1.

54. At some point the Court of Appeal unsealed the settlement agreement, which I had attached as a sealed exhibit to my two petitions, and which I have attached hereto as Exhibit R.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this fifteenth day of March, 1990 at Oakland, California.

Gerald Armstrong

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6838 Charing Cross Road, Berkeley, CA 94705.

On March 24, 1990 I caused to be served the foregoing document described as DEFENDANT'S REPLY TO APPELLANTS' OPPOSITION TO PETITION FOR PERMISSION TO FILE RESPONSE AND FOR TIME TO FILE on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Oakland, California, addressed to the persons and addresses specified on the service list attached.

Executed on MARCH 24, 1990 at Oakland, California.

Bambi Sparks Phippeny

SERVICE LIST

ERIC M. LIEBERMAN, ESQ.
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
740 Broadway - Fifth Floor
New York, New York 10003-9518

MICHAEL LEE HERTZBERG, ESQ.
740 Broadway - Fifth Floor
New York, New York 10003-9518

BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Hollywood, California 90028

TOBY L. PLEVIN, ESQ.
6380 Wilshire Blvd., Suite 1600
Los Angeles, California 90048

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, California 90272

MICHAEL J. FLYNN, ESQ.
FLYNN, SHERIDAN & TABB
One Boston Place, 26th Floor
Boston, Massachusetts 02108

JULIA DRAGOJEVIC, ESQ.
CONTOS & BUNCH
5855 Topanga Canyon Blvd., #400
Woodland Hills, California 91367

CLERK OF THE SUPERIOR COURT
111 North Hill Street
Los Angeles, California 90012

EXHIBIT C

Case Nos. B025920 & B038975

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION THREE

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Plaintiff-Appellant,

and

MARY SUE HUBBARD

Intervenor-Plaintiff-Appellant,

v.

GERALD ARMSTRONG,

Defendant-Respondent.

NOTICE OF MOTION AND MOTION TO SEAL RECORD ON APPEAL; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF KENNETH LONG

Appeal from the Superior Court of the State
of California for the County of Los Angeles
Honorable Bruce R. Geernaert, Judge
Case No. C420153

Eric Lieberman
RABINOWITZ, BOUDIN,
KRINSKY, STANDARD &
LIEBERMAN, P.C.
740 Broadway, Fifth Floor
New York, New York 10003-9518
(212) 254-1111

Helena K. Kobrin
BOWLES & MOXON
6255 Sunset Blvd.
Suite 2000
Los Angeles, CA 90028
(213) 661-4030

Counsel for Plaintiff and Appellant
CHURCH OF SCIENTOLOGY OF CALIFORNIA

MICHAEL LEE HERTZBERG
740 Broadway, Fifth Floor
New York, New York 10003-9518
(212) 982-9870

Counsel for Intervenor and Appellant
MARY SUE HUBBARD

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION THREE

CHURCH OF SCIENTOLOGY OF CALIFORNIA, Plaintiff-Appellant, and MARY SUE HUBBARD, v. GERALD ARMSTRONG, Defendant-Respondent.	Case Nos. B025920 & B038975 LASC No. C420153 NOTICE OF MOTION AND MOTION TO SEAL RECORD ON APPEAL; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF KENNETH LONG

Plaintiff Church of Scientology of California ("CSC") and Intervenor Mary Sue Hubbard ("Mrs. Hubbard") hereby move the Court for an order sealing portions of the record on appeal.

This motion to seal is made on the ground that the case was filed to vindicate property and privacy interests that had been invaded by defendant, and to leave these portions of appellate record unsealed will result in further violations of those interests. In addition, the trial court found that documents in issue in this case were stolen from plaintiff, and that CSC "had made out a prima facie case of conversion, breach of fiduciary duty, and breach of confidence, and that Mary Sue Hubbard had made out a prima facie case of conversion and invasion of privacy." When the case was settled in December 1986, the parties entered into a stipulation that the court files would be sealed, and the July 29, 1991 decision of this Court upheld the validity of that stipulation against a challenge by an individual who was not a party to the underlying action, and ruled that the files below should remain sealed pursuant to agreement of the parties upon settlement. This action was the only method available to appellants to protect their rights, and the sealing of the files is therefore proper.

This motion is based on this notice of motion and motion, the attached Declaration of Kenneth Long, the attached Memorandum of Points and Authorities, the Brief of Appellants, Reply Brief of Appellants and Response to Cross Appeal, the record on appeal and the briefs on file herein.

DATED: September 11, 1991

Respectfully submitted,

Eric M. Lieberman
RABINOWITZ, BOUDIN,
STANDARD, KRINSKY &
LIEBERMAN, P.C.

BOWLES & MOXON

By: Helena K. Kobrin
Helena K. Kobrin

Counsel for
Plaintiff and Appellant

MICHAEL LEE HERTZBERG
Counsel for Intervenor and
Appellant MARY SUE HUBBARD

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On September 11, 1991, I caused to be served the foregoing document described as NOTICE OF MOTION AND MOTION TO SEAL RECORD ON APPEAL; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF KENNETH LONG on interested parties in this action as below:

Gerald Armstrong
P.O. Box 751
San Anselmo, CA 94960

Gerald Armstrong
707 Fawn Drive
Sleepy Hollow, California 94960

Toby L. Plevin
Attorney at Law
10700 Santa Monica Blvd.
Suite 4300
Westwood, CA 90025

Los Angeles Superior Court
111 N. Hill Street
Los Angeles CA 90012

If hand service is indicated, I caused the above-referenced paper to be served by hand, otherwise I caused such envelopes with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on September 11, 1991, at Hollywood, California.

Helena K. Kobrin

EXHIBIT D

12-7-91
Ga

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OFFICE OF THE CLEF
COURT OF APPEAL
STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT
ROBERT N. WILSON, CLERK

DIVISION: 3 DATE: 12/05/91

Gerald Armstrong
P.o. Box 751
San Anselmo, CA. 94960

RE: Church of Scientology of California,Etal
VS.
Armstrong, Gerald
Corydon, Bent
2 Civil B038975
Los Angeles NO. C420153

THE COURT:

MOTION TO SEAL RECORD DENIED.

71

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
FEB - 4 1992
HOWARD HANSON
MARIN COUNTY CLERK
by P. Fan, Deputy

FILED
NOV 16 1994
HOWARD HANSO
MARIN COUNTY CLE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	Case No. 157680 **ORDER SEALING PORTIONS OF RECORD**

Plaintiff's Ex Parte Application for an order sealing the file in the referenced action was considered by the Court on this date, and good cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Memorandum of Points and Authorities in Support of Plaintiff's Motion for Preliminary Injunction for Breach of Contract and Exhibit A to the Declaration of Andrew H. Wilson in Support of Motion for Preliminary Injunction on file in this action shall be sealed and shall not be available for inspection by any person

WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

without prior order of this Court;

2. All pleadings and papers filed herein which disclose or describe any pportions of the Settlement Agreement dated December 6, 1986 between Plaintiff and Defendant shall be filed in envelopes marked "Filed Under Seal Pursuant to Court Order Dated ________________";

3. The parties and their counsel are hereby prohibited from disclosing the contents of sealed documents, pleadings and papers, except to persons actively working on matters connected with this litigation;

4. This order is without prejudice to Defendant's right to seek an order unsealing all or a part of the previously sealed portions of the record file upon a showing that such unsealing will not compromise the confidentiality of the Settlement Agreement sued upon by Plaintiff herein.

DATED: FEB - 4 1992

JUDGE OF THE SUPERIOR COURT

Denied

R

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK

FILED
FEB - 7 1992
HOWARD HANSON
MARIN COUNTY CLERK

73

Andrew H. Wilson
WILSON, RYAN, BLUM & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
Debra S. Tobias
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
BY NELLY AU, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN 157680

CHURCH OF SCIENTOLOGY OF INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG and DOES 1 through 25, inclusive, Defendants.	Case No. 152229 BC052395 NOTICE OF MOTION AND MOTION FOR PRELIMINARY INJUNCTION; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF LAWRENCE E. HELLER, LAURIE J. BARTILSON AND LYNN R. FARNY IN SUPPORT THEREOF DATE: March 6, 1992 TIME: 10:30 a.m. DEPT: 5

TO DEFENDANTS AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on March 6, 1992 at 10:30 a.m., or as soon thereafter as the matter may be heard in Department 5 of the above-entitled Court, plaintiff Church of Scientology International (the "Church") by this Motion will seek an Order enjoining defendants Gerald Armstrong ("Armstrong") and all others acting in concert or participation therewith, or any of them, from

WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

violating any and all provisions of the settlement agreement entered into by the Church and Armstrong in December of 1986, in the form submitted concurrently herewith.

The relief sought by this Motion is based upon this Motion itself, the Memorandum of Points and Authorities submitted herewith, the accompanying Declarations of Lynn R. Farny, Lawrence E. Heller and Laurie J. Bartilson, the Verified Complaint and pleadings, records and other papers on file in this matter, and such other evidence as the Court may receive upon the hearing of this Motion.

Dated: February 4, 1992

Respectfully submitted,

WILSON, RYAN & CAMPILONGO

By: ______________________
Andrew H. Wilson

Laurie J. Bartilson
BOWLES & MOXON

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF CALIFORNIA, MARIN COUNTY

DATE: 3/20/92 COURT MET AT 9:05 Am DEPARTMENT NO. 4

PRESENT: HON. Michael B. Dufficy, JUDGE A Cooper, DEPUTY CLERK

Margaret Cordova, REPORTER Al Wong, BAILIFF

TITLE:

Church of Scientology of International

vs.

Gerald Armstrong, et al

COUNSEL:

Andrew Wilson
Laurie Bartilson
Graham Berry
Ford Greene

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK

NATURE OF PROCEEDINGS: Motions

ACTION NO. 157680 152229

BC052395

This matter comes before the Court on the following motions:

1. Motion to Dismiss/Stay + Tranfer to L.A.
2. Motion to Intervene
3. Application by Mr. Hertzberg to address this Court.
4. Protective Order
5. Motion for Preliminary Injunction
6. Evidentiary Hearing
7. Motion for Sanctions

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
Nelly Au
BY NELLY AU, DEPUTY

Appearances as noted above.

The Court hears argument re media filming.

Filming is allowed.

Argument re transferring matter to L.A. (Defense argument)

Argument re preliminary injunction (plaintiff argument)

Mr. Hertzberg addresses the Court re previous ruling of jurisdiction + venue.

Argument in opposition by Mr. Greene

Mr. Berry presents argument + joins with Mr. Greene (T.R.O.)

Mr. Wilson argues to restain the defendant re T.R.O.)

Submitted.

MINUTES

3110-CC25

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE
COUNTY OF MARIN

DATE 3/20/92 AT 9:05 AM, Dept. 4 CONTINUED

ABBREVIATED TITLE Church of Scientology vs. Armstrong, et al ACTION NO. 152229

BC052395

The Court makes the following order,

Change of Venue is granted. The Court will allow the T.R.O. to remain in effect for an additional 45 days to allow all counsel time to file in L.A. County. The remainder of the motions will be presented + argued in L.A. County. Mr. Wilson to prepare order.

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
Nelly Au
BY NELLY AU, DEPUTY

13

77

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
MAR 24 1992
HOWARD HANSON
MARIN COUNTY CLERK
By A. Cooper, Deputy

THE WITHIN INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.
ATTEST: MAR 26 1992
HOWARD HANSON
County Clerk and ex-officio Clerk of the Superior Court of the State of California in and for the County of Marin.
BY ____________ Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

BC052395

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	Case No. 152229 **ORDER RE DEFENDANT'S MOTION TO DISMISS OR STAY OR TRANSFER TO LOS ANGELES SUPERIOR COURT**

FILED
APR 13 1992
JAMES H. DEMPSEY, CLERK
BY NELLY AU, DEPUTY
Nelly Au

Defendant's motion for a change of venue was heard on March 20, 1992 at 9:00 a.m. in the above-entitled Court. Plaintiff was represented by Wilson, Ryan and Campilongo, Andrew H. Wilson appearing, and by Bowles and Moxon, Laurie J. Bartilson appearing. Defendant was represented by Ford Greene.

Whereas, the Honorable Bruce R. Geernaert of the Los Angeles Superior Court, having replaced Paul G. Breckenridge, Jr., in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court Case No. C 420 153, narrowly ruled on December 23, 1991 that pursuant to Code of Civil Procedure sections 127(a)(4) and 664.4 he did not have jurisdiction to enforce the Mutual Release of All Claims and Settlement Agreement executed December 6, 1986; and

Whereas, Paragraph 20 of said Agreement is nevertheless effective as a forum selection clause which this court may enforce under Smith v. Superior Court (1986); and

Having reviewed the written arguments and evidence submitted by the parties, and having heard the arguments of counsel,

It is therefore **ORDERED** as follows:

1. Defendant's motion to transfer the file in Marin County Superior Court Case No. 152229 is **GRANTED**.

a. It is **FURTHER ORDERED** that the file herein shall be transferred to James H. Dempsey, Executive Officer and Clerk of the superior court of Los Angeles, 111 North Spring Street, Los Angeles, California, 90012 immediately after the expiration of twenty (20) days of the date of this Order as required by Code of Civil Procedure sections 399 and 400, the parties hereto waiving the written notice required by Code of Civil Procedure Section 400.

b. It is **FURTHER ORDERED** that pursuant to Code of Civil Procedure section 399 Plaintiff shall pay the costs of transfer of the file to Los Angeles Superior Court.

c. It is **FURTHER ORDERED** that this Court shall retain jurisdiction to determine, upon noticed motion, whether Defendant should be awarded fees and costs in connection with the bringing of the Motion to Transfer and to enforce, if necessary, Paragraphs 2.b. through f. until the earlier of May 4, 1992 or the date a preliminary injunction motion is appealed or denied in the Los Angeles Superior Court.

2. This Court's order of March 5, 1992 is hereby extended through and including the earlier of May 4, 1992 or further order of Court. ~~or the date that a preliminary injunction is granted or denied by the Los Angeles Superior Court~~. Defendant Gerald Armstrong and his agents are hereby enjoined from violation of that certain Settlement Agreement ("Agreement") dated December 6, 1986, including the following:

FG

a. Armstrong is restrained from violating Paragraph 7(d) which prohibits Armstrong from creating or publishing books or magazine articles, disclosing his experiences with Scientology, and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations listed in Paragraph 1 of the Agreement ("Scientology organizations") affiliated therewith, disclosing documents identified in Exhibit A to the Settlement Agreement, including films, tapes, photographs, recordings or variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the Scientology organizations;

b. Defendant is restrained from violating the provisions of Paragraph 7(g) which prohibits Defendant from voluntarily assisting or cooperating with any person adverse to Scientology in any proceeding against any of the Scientology organizations, or from cooperating in any manner with any organizations aligned against Scientology;

c. Defendant is restrained from violating the provisions of Paragraph 7(h) which prohibits Defendant from testifying or participating in judicial or administrative proceedings adverse to Scientology or any of the Scientology organizations unless compelled to do so by subpoena or lawful process;

d. Defendant is restrained from violating the provisions of Paragraph 10, which prohibits Defendant from assisting or advising anyone, including individuals, partnerships, associations, corporations, or governmental entities contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any of the Scientology organizations;

e. Defendant is restrained from violating the provisions of Paragraph 18(d), which prohibits Defendant from disclosing the contents of the Agreement;

f. Nothing in this Order shall be construed to prohibit Armstrong from working in the employ of, or as an independent contractor for, Ford Greene on matters not involving the Church of Scientology International or any of the Scientology organizations.

DATED March 24, 1992.

JUDGE OF THE SUPERIOR COURT

Approved as to form:

Ford Greene, Esq.
Attorney for Defendant Gerald Armstrong

COUNTY CLERK/EXECUTIVE [redacted] ICER
P. O. BOX 151
LOS ANGELES, CALIFORNIA 90053
FILING SERVICES, RM. 102

FILED
APR 1 6 1992
JAMES H. DEMPSEY, CLERK
Nelly Ali
BY NELLY ALI, DEPUTY

odd file

81

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation

PLAINTIFF(S)

vs

GERALD ARMSTRONG

DEFENDANT(S)

CASE NUMBER

157680

BC052395

NOTICE OF TRANSFER OF ACTION

TO THE ABOVE NAMED PARTIES AND THEIR ATTORNEYS OF RECORD:

Pursuant to the provisions of Section 399 Code of Civil Procedure, you are hereby notified that:

☐ The papers and pleadings in this case have this date been transmitted to the

☒ Upon Receipt from another court, the within action, No. 152229
SUPERIOR COURT MARIN COUNTY
was filed on APRIL 13, 19 92 and assigned our case number
BC052395

Dated: 04-13-92

JAMES H. DEMPSEY, CLERK
[redacted]
County Clerk/Executive Officer of the Superior Court, County of Los Angeles, State of California.
By R. Sanchez Deputy

RINA SANCHEZ

Copies of the above notice were sent by U.S. Mail to all attorneys of record in the within action on
APRIL 16, 19 92
R. Sanchez
Deputy County Clerk

FILED
NOV 1 6 1994
HOWARD HANS
MARIN COUNT

82

Andrew H. Wilson
WILSON, RYAN, BLUM & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY

FILED
LOS ANGELES SUPERIOR COURT
APR 14 1992
JAMES H. DEMPSEY, CLERK
P. Offord
BY P. OFFORD, DEPUTY

Late

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG and DOES 1 through 25, inclusive,

Defendants.

Case No. BC 052395
(Marin County Superior Court Case No. 152229) 157680

RENEWED NOTICE OF MOTION AND AND MOTION FOR PRELIMINARY INJUNCTION

DATE: April 28, 1992
TIME: 8:30 a.m.
DEPT: 85

NO TRIAL DATE SET
NO DISCOVERY CUT OFF
NO MOTION CUT OFF

TO DEFENDANTS AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on April 28, 1992 at 8:30 a.m., or as soon thereafter as the matter may be heard, in Department 85 of the above-entitled Court, plaintiff Church of Scientology International (the "Church") by this renewed Motion will seek an Order converting the temporary restraining order entered in this case, prior to its transfer to Los Angeles Superior Court, by the Honorable Michael B. Dufficy, into a preliminary injunction,

TR#2860 M#0 TL#8 92/04/14 11:43:20
C# BC052395 TD#03 $14.00

enjoining defendants Gerald Armstrong ("Armstrong") and all others acting in concert or participation therewith, or any of them, from violating any and all provisions of the settlement agreement entered into by the Church and Armstrong in December of 1986, a true and correct copy of which is attached hereto as Exhibit A, pending resolution of this action.

This action was originally filed in Marin County, California, where Armstrong resides. This instant motion was set to be heard on March 20, 1992. However, on Armstrong's motion, on March 20, 1992, Judge Dufficy ordered the case transferred to this Court, and continued the hearing on plaintiff's pending and fully briefed Motion for Preliminary Injunction so that it could be heard before this Court. At the same time, Judge Dufficy continued a Temporary Restraining Order which he had previously entered, in force and effect until and including May 4, 1992, so as to permit the Church to bring this renewed motion.

The relief sought by this renewed Motion is based upon this renewed Motion itself; plaintiff's Complaint; the Memorandum of Points and Authorities and Evidence in support of the Motion for Preliminary Injunction previously submitted to the Marin County Superior Court on February 4, 1992; Plaintiff's Reply to Defendant's Opposition to Plaintiff's Motion for Preliminary Injunction, previously submitted to the Marin County Superior

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///

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Court on March 19, 1992; the pleadings, records and other papers on file in this matter; and such other evidence as the Court may receive upon the hearing of this Motion.

Dated: April 13, 1992

Respectfully submitted,

Andrew H. Wilson
WILSON, RYAN, BLUM &
CAMPILONGO

BOWLES & MOXON

By: Laurie J. Bartilson
Laurie J. Bartilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

85

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
MAR 24 1992
HOWARD HANSON
MARIN COUNTY CLERK
By A. Cooper, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

Case No. 152229

ORDER RE DEFENDANT'S MOTION TO DISMISS OR STAY OR TRANSFER TO LOS ANGELES SUPERIOR COURT

Defendant's motion for a change of venue was heard on March 20, 1992 at 9:00 a.m. in the above-entitled Court. Plaintiff was represented by Wilson, Ryan and Campilongo, Andrew H. Wilson appearing, and by Bowles and Moxon, Laurie J. Bartilson appearing. Defendant was represented by Ford Greene.

Whereas, the Honorable Bruce R. Geernaert of the Los Angeles Superior Court, having replaced Paul G. Breckenridge, Jr., in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court Case No. C 420 153, narrowly ruled on December 23, 1991 that pursuant to Code of Civil Procedure sections 127(a)(4) and 664.4 he did not have jurisdiction to enforce the Mutual Release of All Claims and Settlement Agreement executed December 6, 1986; and

Whereas, Paragraph 20 of said Agreement is nevertheless effective as a forum selection clause which this court may enforce under Smith v. Superior Court (1986); and

Having reviewed the written arguments and evidence submitted by the parties, and having heard the arguments of counsel,

It is therefore **ORDERED** as follows:

1. Defendant's motion to transfer the file in Marin County Superior Court Case No. 152229 is **GRANTED**.

a. It is **FURTHER ORDERED** that the file herein shall be transferred to James H. Dempsey, Executive Officer and Clerk of the superior court of Los Angeles, 111 North Spring Street, Los Angeles, California, 90012 immediately after the expiration of twenty (20) days of the date of this Order as required by Code of Civil Procedure sections 399 and 400, the parties hereto waiving the written notice required by Code of Civil Procedure Section 400.

b. It is **FURTHER ORDERED** that pursuant to Code of Civil Procedure section 399 Plaintiff shall pay the costs of transfer of the file to Los Angeles Superior Court.

c. It is **FURTHER ORDERED** that this Court shall retain jurisdiction to determine, upon noticed motion, whether Defendant should be awarded fees and costs in connection with the bringing of the Motion to Transfer and to enforce, if necessary, Paragraphs 2.b. through f. until the earlier of May 4, 1992 or the date a preliminary injunction motion is appealed or denied in the Los Angeles Superior Court.

2. This Court's order of March 5, 1992 is hereby extended through and including the earlier of May 4, 1992 or further order of the court. ~~or the date that a preliminary injunction is granted or denied by the Los Angeles Superior Court~~. FG Defendant Gerald Armstrong and his agents are hereby enjoined from violation of that certain Settlement Agreement ("Agreement") dated December 6, 1986, including the following:

a. Armstrong is restrained from violating Paragraph 7(d) which prohibits Armstrong from creating or publishing books or magazine articles, disclosing his experiences with Scientology, and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations listed in Paragraph 1 of the Agreement ("Scientology organizations") affiliated therewith, disclosing documents identified in Exhibit A to the Settlement Agreement, including films, tapes, photographs, recordings or variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the Scientology organizations;

b. Defendant is restrained from violating the provisions of Paragraph 7(g) which prohibits Defendant from voluntarily assisting or cooperating with any person adverse to Scientology in any proceeding against any of the Scientology organizations, or from cooperating in any manner with any organizations aligned against Scientology;

c. Defendant is restrained from violating the provisions of Paragraph 7(h) which prohibits Defendant from testifying or participating in judicial or administrative proceedings adverse to Scientology or any of the Scientology organizations unless compelled to do so by subpoena or lawful process;

d. Defendant is restrained from violating the provisions of Paragraph 10, which prohibits Defendant from assisting or advising anyone, including individuals, partnerships, associations, corporations, or governmental entities contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any of the Scientology organizations;

e. Defendant is restrained from violating the provisions of Paragraph 18(d), which prohibits Defendant from disclosing the contents of the Agreement;

f. Nothing in this Order shall be construed to prohibit Armstrong from working in the employ of, or as an independent contractor for, Ford Greene on matters not involving the Church of Scientology International or any of the Scientology organizations.

DATED 3/24, 1992. MICHAEL B. DUFFICY
JUDGE OF THE SUPERIOR COURT

Approved as to form:

Ford Greene, Esq.
Attorney for Defendant Gerald Armstrong

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On April 13, 1992 I caused to be served the foregoing document described as RENEWED NOTICE OF MOTION AND MOTION FOR PRELIMINARY INJUNCTION on defendants in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Lewis, D'Amato, Brisbois & Bisgaard **HAND SERVED**
221 North Figueroa Street
Suite 1200
Los Angeles, CA 90012

Ford Greene **HAND SERVED**
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an

affidavit.

Executed on April 13, 1992, at Los Angeles, California.

[x] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on April 13, 1992, at Los Angeles, California.

[X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Bartilson

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

157680

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

Church of Scientology, International

vs.

Gerald Armstrong, et al.

(Parties and Counsel checked if present)

Counsel For Plaintiff

Counsel For Defendant

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNT

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1a

M. Cervantes, Deputy Clerk
None (E.R.M.)

(Parties and Counsel checked if present)

BC 052395

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1b

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of $70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

DEPT. 88 94

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES 157680

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1c

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For
Plaintiff

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

Ronald M. Sohigian

RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

DN

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
LOS ANGELES SUPERIOR COURT
JUN 04 1992
JAMES H. DEMPSEY, CLERK
L. McGhee
BY L. MCGHEE, DEPUTY

SUMMONS ISSUED
JUN 23 1992

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ~~MARIN~~ Los Angeles

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1-25 INCLUSIVE Defendants.	Case No. BC 052395 157680 FIRST AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT

Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and Bowles & Moxon, for its Amended Complaint, alleges:

NATURE OF THE ACTION

1. In violation of the express terms and spirit of a settlement agreement ("the Agreement") entered into in December, 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a deliberate campaign designed to aid plaintiff's litigation adversaries, breach the confidentiality provisions of the Agreement, and foment litigation, hatred and ill-will toward plaintiff.

2. Five years ago, plaintiff Church of Scientology International ("CSI") entered into the Agreement with Armstrong, on its own behalf and for the benefit of numerous third-party beneficiaries. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Armstrong, a former Church member who sought, by both litigation and covert means, to disrupt the activities of his former faith, displayed through the years an intense and abiding hatred for the Church, and an eagerness to annoy and harass his former co-religionists by spreading enmity and hatred among members and former members. Plaintiff sought, with the Agreement, to end all of Armstrong's covert activities against it, along with the litigation itself. For that reason, the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against plaintiff by third parties. These provisions were bargained for by plaintiff to put an end to the enmity and strife generated by Mr. Armstrong once and for all.

3. This action arises out of deliberate and repeated breaches by Armstrong of these and other express provisions of the Agreement. Although plaintiff fully performed all of its obligations under the Agreement, Armstrong never intended to keep his part of the bargain and maintains that he considered the referenced provisions to be unenforceable *ab initio*. As soon as he finished spending the money he extracted from plaintiff as the

price of his signature, in June 1991, Armstrong began a systematic campaign to foment litigation against plaintiff by providing confidential information, copies of the Agreement, declarations, and "paralegal" assistance to litigants actively engaged in litigation against his former adversaries. Although plaintiff has repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the Agreement, Armstrong appears to delight in renewing his annoying and harassing activities, admitting to them in sworn declarations, and refusing to end his improper liaisons.

4. With this Complaint, plaintiff seeks the Court's aid in obtaining the peace for which it bargained more than five years ago. Plaintiff requests liquidated damages pursuant to the terms of the Agreement, as well as injunctive relief to prevent additional and future breaches of the Agreement by Armstrong.

THE PARTIES

5. Plaintiff Church of Scientology International is a non-profit religious corporation incorporated under the laws of the State of California, having its principal offices in Los Angeles, California. Plaintiff CSI is the Mother Church of the Scientology religion.

6. Defendant Gerald Armstrong is a resident of Marin County, California.

7. Plaintiff is ignorant of the names and capacities of the defendants identified as DOES 1 through 25, inclusive, and thus brings suit against those defendants by their true names upon the ascertainment of their true names and capacities, and their responsibility for the conduct alleged herein.

THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by reference.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the Churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. Contemporaneously with the signing of the Agreement, Armstrong represented that he understood the Agreement's provisions and was acting of his own free will and not under duress. In later 1991, Armstrong revealed for the first time that he believed at the time the Agreement was signed that the provisions contained in Paragraphs 7(D), 7(H), 7(G), 10, 12 and 18 were unenforceable.

12. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the Church

who would be willing to assist him in overthrowing Church leadership. The Church obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On four separate occasions in November, 1984, Armstrong met with two individuals that he considered to be defectors, whom he knew as "Joey" and "Mike." In reality, both "Joey" and "Mike" were loyal Church members who, with permission from the Los Angeles police, agreed to have their conversations with Armstrong surreptitiously videotaped. During the course of these conversations, Armstrong:

a. Demanded that "Joey" provide him with copies of documents published by the Churches so that he could forge documents in the same style. Armstrong wanted "Joey" to then plant these Armstrong creations in the Church's files so that Armstrong could tip off the Internal Revenue Service Criminal Investigations Division ("CID"), and the incriminating documents would be found in a resulting raid;

b. Sought to "set up" the defection of a senior Scientologist by finding a woman to seduce him;

c. Told "Joey" all about his conversations with Al Lipkin, an investigator for the L.A. CID, and attempted to get "Joey" to call Lipkin and give him false information that would implicate the Church's leaders in the misuse of donations; and

d. Instructed "Mike" on the methods of creating a lawsuit against the Church leadership based on

> nothing at all:
>
> ARMSTRONG: They can allege it. They can allege it. They don't even have -- they can allege it.
>
> RINDER: So they don't even have to have the document sitting in front of them and then --
>
> ARMSTRONG: F___ing say the organization destroys the documents.
>
> * * *
>
> Where are the -- we don't have to prove a goddamn thing. We don't have to prove s___t; we just have to allege it.

Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

13. The Agreement also provided that plaintiff CSI would pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

14. CSI paid to Mr. Flynn the lump sum settlement amount.

15. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount.

16. The consideration paid to Armstrong was fair, reasonable and adequate. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

///

///

FIRST CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

17. Plaintiff realleges paragraphs 1 - 16, inclusive, and incorporates them herein by reference.

18. Vicki and Richard Aznaran ("the Aznarans") are former Scientology parishioners currently engaged in litigation against, inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, Case No. CV 88-1786 JMI (Ex).

19. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.

20. While acting as the Aznarans' counsel, Yanny hired Gerald Armstrong as a paralegal to help Yanny on the Aznaran case.

21. In July, 1991, Armstrong agreed to travel from Marin County to Los Angeles and asked Yanny to pay him $500 for his proposed help.

22. In July, 1991, Armstrong did travel to Los Angeles as he had agreed, stayed with Yanny on July 15 and July 16, 1991, and provided Yanny with paralegal assistance and a declaration for the Aznaran case.

23. Yanny is former counsel to CSI, and his substitution into the case was vacated by the Court sua sponte on July 24, 1991, the Court noting that Yanny's retention as the Aznarans' counsel was "highly prejudicial" to CSI.

24. Armstrong's acceptance of employment by Yanny to work

on the Aznarans' litigation is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

25. As a direct and proximate result of Armstrong's breach of the agreement by providing paralegal assistance to Yanny in the Aznarans' litigation, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

SECOND CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

26. Plaintiff realleges paragraphs 1-16, 18-25, inclusive, and incorporates them herein by reference.

27. After Yanny entered his appearance in the Aznarans' case and indicated to CSI's counsel that he represented Gerald Armstrong as well, CSI brought suit against Yanny in the case of Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In that action, plaintiff sought and obtained a Temporary Restraining Order and a Preliminary Injunction against Yanny, which prohibit Yanny from aiding, advising, or representing, directly or indirectly, the Aznarans or Armstrong, on any matters relating to the plaintiff.

28. At the hearings before the Court on the temporary restraining order and the injunction, Yanny filed two declarations prepared and executed by Armstrong on July 16, 1991. The declarations were offered by Yanny as part of Yanny's defense, which was ultimately rejected by the Court when it

issued its injunction.

29. Armstrong's aid to Yanny in the RTC v. Yanny case is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

30. Armstrong attached as an exhibit to one of his July 16, 1991 declarations a copy of the Agreement, the terms of which he had agreed, pursuant to paragraph 18(D), to keep confidential. This disclosure of the terms of the Agreement is a violation of its non-disclosure provisions, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

31. Despite demand by plaintiff, Armstrong has failed and refused to pay them the $50,000 owed in liquidated damages for this breach of the Agreement.

THIRD CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

32. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, inclusive, and incorporates them herein by reference.

33. After Yanny's substitution into the Aznarans' case was summarily vacated, Ford Greene was reinstated as the Aznarans' counsel of record. Ford Greene's law offices are located in San Anselmo, California.

34. On or about August, 1991, Armstrong began working in Ford Greene's office as a paralegal on the Aznarans' case. When, thereafter, the Aznarans hired attorney John Elstead to represent them as well, Armstrong provided paralegal services to Elstead as well as Greene. Armstrong's employment in Greene's office has continued to the present. Armstrong's activities constitute a daily and continuing breach of his contract, rendering plaintiff's bargain a nullity.

35. Plaintiff CSI has already incurred, and continues to incur, damages as a direct and proximate result of Armstrong's provision of aid to Greene in the Aznarans' case. Those damages are not presently calculable and will cease only when Armstrong is ordered to stop his improper conduct. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

FOURTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

36. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, inclusive, and incorporates them herein by reference.

37. In addition to the paralegal services which Armstrong has provided to Ford Greene and John Elstead on the Aznarans' litigation, Armstrong also provided the Aznarans with a declaration, dated August 26, 1991, and filed in the Aznarans' case. In that declaration, Armstrong describes some of his alleged experiences with and concerning plaintiff, and purports to authenticate copies of certain documents. These actions and disclosures are violations of paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

38. Despite demand by plaintiff, Armstrong has failed and refused to comply with the liquidated damages provision by paying $50,000 to plaintiff as demanded for this breach of the Agreement.

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FIFTH CAUSE OF ACTION

(For Breach of Contract Against Armstrong)

39. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, and 37-38, inclusive, and incorporates them hereby reference.

40. On or about March 19, 1992, Armstrong, acting through Ford Greene as his agent, transmitted a press release to various members of the media, including the Cable News Network, San Francisco Chronicle, San Francisco Examiner, and the Marin County Independent Journal. A true and correct copy of the press release is attached hereto as Exhibit B. Said press release violated the Agreement in that it constituted disclosures by Armstrong, through Ford Greene as his agent, of his experiences with Scientology as prohibited by paragraph 2. The following are the excerpts from the press release which violate paragraph 2:

a) "Can the Scientology organization purchase the free speech rights of Gerald Armstrong-the former in-house biographer researcher/archivist of cult leader, L. Ron Hubbard..."

b) "A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large."

c) "For years Scientology has treated Armstrong as a 'suppressive person' who was 'fair game.'"

d) "Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth."

e) "(Scientology is) fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it."

41. In addition, the press release devotes an entire paragraph to a description of the lawsuit resulting from the Settlement Agreement and to a description of the Settlement Agreement itself:

> "After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with he and over 17 other Scientology knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist anyone adverse to Scientology."

The distribution of the press release violated the provisions of paragraphs 7(D) and 18 of the Agreement.

42. By reason of the foregoing breach by Armstrong, plaintiff is entitled to $50,000 in liquidated damages and compensatory damages not presently known but believed to be in excess of the jurisdictional minimum of this Court.

SIXTH CAUSE OF ACTION

(For Breach of Contract by Armstrong)

43. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, and 40-42, inclusive, and incorporates them hereby by reference.

44. On or about March 19 and 20, 1992, Armstrong and Greene, acting as Armstrong's agent, granted the media additional interviews, which also violated paragraph 2 of the Agreement. During the course of his interview with the Cable News Network, for example, Armstrong stated, "I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died." Attached hereto and incorporated herein by reference as Exhibit C is a true and correct transcription of the CNN broadcast which featured this statement made voluntarily by Armstrong in a media interview.

45. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $50,000 in liquidated damages.

SEVENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

46. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42 and 44-45, inclusive and incorporates them herein by reference.

47. On or about February, 1992, Armstrong agreed to appear voluntarily as an "expert witness" in litigation known as Hunziker v. Applied Materials, No. 692629 S.C.S.C (the "Hunziker case"). The alleged subject of his "expertise" was Scientology. The defendants named in the Hunziker case include, inter alia, World Institute of Scientology Enterprises, Inc., which is a Scientology affiliated entity protected by the Agreement.

48. On or about February 21, 1992 and February 23, 1992, Armstrong met voluntarily with James Rummond and John Elstead, attorneys for the plaintiffs in the Hunziker case. During his meetings with these attorneys, Armstrong discussed his alleged history and experiences with plaintiff and with other Scientology entities and individuals protected by the Agreement, and offered to appear for the plaintiffs as an "expert" on the subject of Scientology practices and beliefs.

49. On March 3, 1992, Armstrong voluntarily, and without the issuance of a subpoena by anyone, appeared for deposition in the Hunziker case and accepted a fee for his testimony from the defendants in that case of $1,000. During the course of the deposition, which lasted for approximately four hours, Armstrong testified at length concerning his alleged experiences with and concerning plaintiff and other Scientology affiliated entities and individuals protected by the Agreement, and concerning

knowledge and information which he claimed to have concerning plaintiff and other Scientology affiliated entities and individuals.

50. During his deposition on March 3, 1992, Armstrong produced documents which he claimed to have reviewed in preparation for his testimony, including documents referred to in paragraph 46, supra, in violation of paragraph 7(D) of the Agreement.

51. On or about March 12, 1992, Armstrong again appeared for deposition in the Hunziker case. This time, Armstrong claimed that he had been given a deposition subpoena not by the deposing attorney, but by attorney Elstead, and that Elstead had "filled out" the subpoena earlier that morning. Armstrong refused to produce a copy of the alleged subpoena, which had not been served on any of the parties to the case. In fact, Armstrong himself requested that Elstead issue him a subpoena on Sunday, March 8, 1992, after a temporary restraining order was issued in this case. On March 8, 1992, Armstrong delivered additional documents to Elstead, again in violation of paragraph 7(D) of the Agreement.

52. Plaintiff learned in April, 1992, through review of the aforesaid deposition transcript, that since the signing of the Agreement, Armstrong had "taken it upon [him]self" to reacquire documents which he had previously returned to plaintiff "from whatever source." He produced many of those documents voluntarily, first to Elstead on March 8, 1992, and then to opposing counsel during the March 12, 1992 deposition.

53. These actions and disclosures are violations of

Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $250,000 in liquidated damages.

EIGHTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

54. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42, 44-45, 47-52, inclusive, and incorporates them herein by reference.

55. On or about April 7, 1992, while testifying in the matter known as Church of Scientology v. Yanny, (No. BC 033035), Armstrong made the Settlement Agreement sued upon herein an exhibit to the deposition transcript. Said action was a breach of paragraph 18(D) of the Agreement which prohibits disclosure of the contents of the Agreement.

56. By reason of the foregoing breach of the Agreement, Plaintiff is entitled to $50,000 in liquidated damages, together with compensatory damages in an amount not presently known to plaintiff but believed to be in excess of the jurisdictional minimum of this court.

NINTH CAUSE OF ACTION

(Against Armstrong for Beach of Contract)

57. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42, 44-45, 47-52, and 55, inclusive, and incorporates them herein by reference.

58. In breach of the provision of paragraph 7(E) of the Agreement, Armstrong failed to return a letter written by L. Ron Hubbard to the Federal Bureau of Investigation in 1955 and an internal communication known as "Technical Bulletin."

59. In breach of the provisions of paragraph 7(H) of the

Agreement, Armstrong gave a declaration in the Aznaran litigation on August 26, 1991 in opposition to a motion to exclude expert testimony.

60. Said declaration attached as exhibits the two documents referred to in paragraph 58 above, in breach of the provisions of Paragraph 7(D) of the Agreement.

61. By reason of the breaches by Armstrong in paragraphs 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an amount not presently known but believed to be in excess of the jurisdictional minimum of this Court.

62. By reason of the breach by Armstrong of paragraph 7(D) of the Agreement, plaintiff is entitled to liquidated damages in the amount of $50,000.

TENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

63. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42, 44-45, 47-52, 54-55 and 58-60, inclusive, and incorporates them herein by reference.

64. Plaintiff learned in March, 1992, that during 1990 and 1991, Armstrong voluntarily provided aid and advice to Bent Corydon and to Corydon's attorney, Toby Plevin, in the conduct of litigation against plaintiff and affiliated entities in the case of Bent Corydon v. Church of Scientology International, et al., Los Angeles Superior Court Case No. C 694401.

65. Armstrong's voluntary provision of aid to Plevin to work on Corydon's litigation is a direct violation of paragraphs 7(G) and 10 of the Agreement.

66. As a direct and proximate result of Armstrong's breach

of the Agreement by providing voluntary assistance to Plevin in Corydon's litigation, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

ELEVENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

67. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 inclusive, and incorporates them herein by reference.

68. On May 27, 1992, after plaintiff's motion for preliminary injunction in this matter had been argued, and while a determination of that motion was still pending, Armstrong voluntarily provided a declaration to Gary M. Bright and Jerold Fagelbaum, attorneys for defendants David Mayo, Church of the New Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede Reisdorf in the consolidated cases of Religious Technology Center, et al. v. Robin Scott, et al., and Religious Technology Center, et al. v. Wollersheim, et al., United States District Court for the Central District of California, Case Nos. CV 85-711 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The plaintiffs in the Scott case are plaintiff, Church of Scientology International, Church of Scientology of California, and Religious Technology Center, all entities specifically protected by the Agreement.

69. In his May 27, 1992 declaration, Armstrong purports to authenticate an earlier declaration which describes some of his

alleged experiences with and concerning plaintiff, as well as a portion of a transcript which was ordered sealed in the earlier action between plaintiff and defendant. These actions and disclosures are violations of paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

70. As a direct and proximate result of Armstrong's breach of the Agreement by providing voluntary assistance to Bright and Fagelbaum in the Scott case, plaintiff has incurred additional damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff also seeks compensatory and consequential damages according to proof.

TWELFTH CAUSE OF ACTION

(Against All Defendants for Injunctive Relief)

71. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 and 68-69 inclusive, and incorporates them herein by reference.

72. As a direct and proximate result of Armstrong's breach of the Agreement by providing assistance to Greene and Elstead in the Aznarans' litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

73. Further, as a direct and proximate result of Armstrong's breach of the Agreement by providing assistance to

Yanny in Yanny's litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

74. Further, as a direct and proximate result of Armstrong's breach of the Agreement by providing assistance to Elstead and Rummond in the Hunziker litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

75. Further, as a direct and proximate result of Armstrong's breach of the Agreement by providing assistance to Fagelbaum and Bright in the Scott litigation, which breach is, on information and belief, persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are temporarily, preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

WHEREFORE, plaintiff prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

///

ON THE SECOND CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE FOURTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE FIFTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For compensatory and consequential damages according to proof.

3. For attorneys' fees and costs of suit.

ON THE SIXTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorney's fees and costs of suit.

ON THE SEVENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $250,000.

2. For attorneys' fees and costs of suit.

ON THE EIGHTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE NINTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For liquidated damages in the sum of $50,000.

3. For attorney's fees and costs of suit.

ON THE TENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE ELEVENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For liquidated damages in the sum of $50,000.

3. For attorney's fees and costs of suit.

ON THE TWELFTH CAUSE OF ACTION

1. For a preliminary and permanent injunction prohibiting and restraining all defendants, including Armstrong, from violating any of the provisions of the Agreement, including the provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: June 4, 1992 BOWLES & MOXON

By: Laurie J Bartilson
Laurie J. Bartilson

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

EXHIBIT A

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled _Gerald Armstrong v. Church of Scientology of California_, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referanced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

Heber C. Jentzsch
for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, of all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

WHERE: Marin Superior Court, San Rafael Civic Center - Scientology vs. Armstrong No. 152229

March 20, 1992 at 9:00 a.m., Department 4.

* * * * * *

Can the Scientology Organization purchase the free speech rights of Gerald Armstrong - the former in-house biography researcher/archivist of cult leader L. Ron Hubbard - so that it can keep the facts that he knows out of public view in the marketplace of ideas?

A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large. In 1982, the organization sued Armstrong for sending Hubbard documents to his lawyers. In 1984 at Armstrong's trial, Los Angeles Superior Court judge Paul G. Breckenridge, Jr., who ruled that Armstrong's actions had been manifestly justified, also found:

> "In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L. Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile."

For years, Scientology has treated Armstrong as a "suppressive person" who was "Fair Game." This policy says as Fair Game one

> "may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Defended by Ford Greene - the lawyer who persuaded the California Supreme Court that the Unification Church (Moonies) should be liable for brainwashing and who won an acquittal for a felonious-charged deprogrammer on the ground that the kidnapping was necessary to avoid cult-danger - Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth.

After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with him and over 17 other Scientology-knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist any one adverse to Scientology.

Between its full-page daily ads in U.S.A. Today and purchasing the silence of judicially-credible adversaries, Scientology's strategy is to eliminate the competition in the marketplace of ideas for those who would swallow the claims of its widespread advertisements for the benefits of Dianetics: The Science of Metal Health.

Scientology has demanded that newly-elevated Marin County Superior Court judge Michael Dufficy give them a preliminary injunction which would prevent Armstrong from speaking out and assisting other individuals locked in litigation with Scientology - while at the same time fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it. If Scientology has its way, Armstrong would either roll over, or if he exposed its lies about him, Scientology would demand he be jailed for contempt of court.

When Scientology first came to Marin County to go after Armstrong, it asked the Court to conduct all proceedings in secret in closed proceedings. The Court refused. Then Scientology asked the Court to seal the settlement agreement that Scientology wants the Court to enforce. The Court refused. Now, Scientology has obtained a temporary restraining order compelling Armstrong not to speak out on the subject of Scientology. Scientology would like to make it permanent and will attempt to do just that at the March 20th Marin Superior Court hearing.

FOR FURTHER INFORMATION CALL:

KIRK SEIDEL, Press Liaison
(415) 457-5711

FORD GREENE (415) 258-0360

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coersion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong $800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: $800,000. $800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.

VERIFICATION

I, Lynn R. Farny, am the Secretary of the Church of Scientology International, plaintiff in this action. I have read the foregoing AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT and know the content thereof.

The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 4th day of June, 1992, at Los Angeles, California.

Lynn R Farny

LYNN R. FARNY
SECRETARY, CHURCH OF
SCIENTOLOGY INTERNATIONAL

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Graham Berry **BY U.S. MAIL**
Lewis, D'Amato, Brisbois & Bisgaard
221 N. Figueroa St. Suite 1200
Los Angeles, CA 90012

[x] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 4, 1992 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on __________ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Bardiks

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz **BY HAND**
P.O. Box 511
Pacific Palisades, CA 90272

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on 04.06.92 at Los Angeles, California.

[x] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on June 4, 1992 at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Bodo Krauss ______ Bodo Krauss
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, CA 94104.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene **BY HAND**
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 9490-1949

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on ____________ at Los Angeles, California.

[x] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on June 4, at San Francisco, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

______________________ __________________________

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

146

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, California 90028
(213) 661-4030

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED
LOS ANGELES SUPERIOR COURT
JUN 08 1992
JAMES H. [illegible], CLERK
H. Hinaga
BY H. HINAGA, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

157680

Case No. BC 052395

NOTICE OF RULING

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNTY

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on May 28, 1992, the Honorable Ronald M. Sohigian, Judge of the Los Angeles Superior Court, entered an Order granting in part plaintiff's motion for preliminary injunction. A true and correct copy of the order so entered is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that plaintiff has posted the undertaking referred to in paragraph 7 of the Order, evidence of which is attached hereto as Exhibit B.

DATED: June 5, 1992

Respectfully submitted,

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

BOWLES & MOXON

By: Laurie J. Bartilson
Laurie J. Bartilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

H:\ARMSTRON\NOTICE.RUL

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SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1a

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International
vs.
Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992 Honorable **Ronald M. Sohigian,** Judge **1b**	**M. Cervantes, Deputy Clerk** **None** (E.R.M.)

BC 052395 (Parties and Counsel checked if present)

Church of Scientology, International — Counsel For Plaintiff

vs.

Gerald Armstrong, et al. — Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of $70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1c

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

MISCELLANEOUS RECEIPT

SUPERIOR COURT
LOS ANGELES COUNTY
CALIFORNIA

CUSTOMER'S RECEIPT

M 087505

CASE NO. BC 052395

SUPERIOR COURT DEPARTMENT ~~Filing~~ Finance

DATE 6/5/92

RECEIVED FROM Bowles, Moxon

INDICATE WHICHEVER APPLIES
ATTY. FOR ☐ PLTF ☐ DEFT. ☐

$ 70,000.00

Seventy Thousand only DOLLARS

FOR Dep. per minute order Filed 5/28/92
Undertaking

CASH Texs CHECK 097688 MAIL #

Church of Scientology PLAINTIFF
VS
Gerald Armstrong et. al. DEFENDANT

DEPUTY

76M 470 (REV. 8-85) 9-85
G-054

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 5, 1992, I served the foregoing document described as NOTICE OF RULING on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz **BY U.S. MAIL**
P.O. Box 511
Pacific Palisades, CA 90272

[X] BY MAIL

[X] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 5, 1992 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on June 5, 1992 at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie Bartilson

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, CA 94104.

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[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene **BY U.S. MAIL**
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 9490-1949

[X] BY MAIL

[X] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

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Laurie J. Barkibu

Signature

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** (For personal service signature must be that of messenger)

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) ss.
COUNTY OF LOS ANGELES)

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[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Graham Berry **BY U.S. MAIL**
Lewis, D'Amato, Brisbois & Bisgaard
221 N. Figueroa St. Suite 1200
Los Angeles, CA 90012

[x] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

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Laurie J. Bartilson

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

NAME, ADDRESS, AND TELEPHONE NUMBER OF ATTORNEY(S) (415) 391-3900
WILSON, RYAN & CAMPILONGO
5 Montgomery Street
Suite 450
San Francisco, CA 94104
ATTORNEY(S) FOR The Church of Scientology International

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNTY

FILED
LOS ANGELES SUPERIOR COURT
JUN 23 1992
JAMES H. DEMPSEY, CLERK
G.L. Mendizabal
BY G. MENDIZABAL, DEPUTY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

THE CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;
PLAINTIFF(S)

VS.

GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION; DOES 2 through 25, inclusive,
DEFENDANT(S)

CASE NUMBER
BC 052395

AMENDMENT TO COMPLAINT SEC. 474 C.C.P.

Upon filing the complaint herein, plaintiff being ignorant of the true name of a defendant, and having designated said defendant in the complaint by a fictitious name, to-wit DOE I, and having discovered the true name of said defendant to be THE GERALD ARMSTRONG CORPORATION hereby amends his complaint by inserting such true name in the place and stead of such fictitious name wherever it appears in said complaint.

WILSON, RYAN & CAMPILONGO

Andrew H. Wilson /tg
ATTORNEY FOR PLAINTIFF

Proper cause appearing, plaintiff is hereby allowed to file the above amendment to the complaint.

Dated: June 23, 1992

COURT COMMISSIONER OF .... COUNTY

160

Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90
(213) 459-4745

Attorneys for Defendant
GERALD ARMSTRONG

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNTY

FILED
JUL 22 1992
JAMES H. DEMPSEY, CLERK
BY C.D. WASHINGTON, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

No. BC 052395 157680

ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT

Defendant Gerald Armstrong, hereinafter "Armstrong," and The Gerald Armstrong Corporation, hereinafter "TGAC," defendants, hereby jointly answer the complaint of plaintiff, hereinafter "CSI." Although the following Answer may be framed in the singular, it shall be interpreted to refer to both answering defendants.

1. Armstrong admits there was a settlement agreement

ORIGINAL

entered into in December, 1986, but denies each and every allegation of the rest of this paragraph. Armstrong's only actions have been those necessitated by the violations by the Scientology organization, including CSI, hereinafter the "ORG," of the express terms and spirit of the settlement agreement. It is the ORG which has embarked on a deliberate campaign to breach the provisions of the agreement, and foment litigation, hatred and ill-will against ARMSTRONG and the world in violation of the norms of civilized conduct, and in a calculated and deliberate abuse of the justice process.

2. Armstrong admits that he entered into a settlement agreement with the ORG in December 1986 of his cross-complaint in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420 153. Armstrong denies that the agreement was for the benefit of numerous third-parties; he asserts that the agreement is to constitute a fraud on courts, nationally and internationally, and upon the public of the World. Armstrong denies that the description of the ORG as a church is true. It is a totalitarian cult of unreason, antireligious in philosophy, antisocial in conduct, and political in motivation. Armstrong denies CSI's description of him. It is the ORG which sought by litigation and covert means to disrupt Armstrong's activities and life, and which displayed through the years an intense and abiding hatred for Armstrong, and an eagerness to annoy and harass Armstrong by spreading enmity and hatred about him among its employees, customers, victims, in the media, the courts and the world. Armstrong denies that the ORG sought to end Armstrong's covert activities, because there were no such covert

activities, nor to end the litigation. Armstrong denies that the agreement contained carefully negotiated and agreed-upon provisions. Armstrong was not included in one word of the negotiations, which were engineered by the ORG through the compromise of Armstrong's attorney. Armstrong never agreed to the conditions, but did agree with the representations of his attorney that the conditions were unenforceable. The ORG structured and used the settlement to continue its litigation, even with Armstrong, and to use litigation to attack its perceived enemies. The ORG is the greatest fomenter of litigation this country has ever known. Its abuse of the justice system and its use of litigation to intimidate and destroy peoples' lives is legendary. Armstrong denies that the ORG bargained for the settlement provisions to put an end to enmity and strife generated by Armstrong because Armstrong generated no such enmity and strife. The ORG's goal with the settlement agreement was to allow it to continue and accelerate the global enmity and strife it generated so as to increase its ideological power and financial profit through the dissemination of unchecked disinformation.

3. Armstrong denies that this action arises from his deliberate and repeated breaches of provisions of the agreement because there have been no breaches of the settlement agreement by Armstrong, but only responses to the ORG's attacks on Armstrong and other innocent victims in violation of the settlement agreement and the laws of the State of California, the laws of the United States, and moral and ethical standards. By such attacks the ORG waived its right to consider Armstrong's responses breaches of the agreement. Armstrong denies moreover that he can

violate the agreement because its provisions are contrary to public policy and illegal. Armstrong denies that the ORG fully performed its obligations under the agreement; rather, it violated both the letter and spirit from the date of its signing. Armstrong denies that he never intended to keep his part of the bargain; rather Armstrong bent over backwards to try to live by the spirit of settlement, even not responding to the ORG's post-settlement attacks, as will be further set forth herein, until it was obvious that the ORG would not cease its attacks, and threatened him several times with litigation and attempted to force him through the settlement agreement to obstruct justice. It was the ORG which never intended to keep its part of the bargain and has maintained that not only the settlement agreement but the norms of human decency do not apply to it. Armstrong admits that, based on the representations of his lawyer that the referenced provisions were unenforceable and that the ORG lawyers also knew they were unenforceable, he also considered said provisions unenforceable. Armstrong denies that he ever extracted money from the ORG. The ORG settled with Armstrong because it was terrified about the imminent trial of his cross-complaint, and because it thought it could continue to attack him unchecked, having compromised his lawyer and removed him from Armstrong's defense. Armstrong denies that in June 1991 he had finished spending his money. In August 1990 Armstrong had given away all his assets for reasons unrelated to the ORG, except that he evaluated that because the ORG committed so much harm with its billions of dollars there was no reason not to give his money away, and that it was better to combat the ORG's tyranny without money than not to combat it with wheelbarrow loads of it. Armstrong denies that in June, 1991 he began any campaign, provided any confidential information to anyone, copies of any agreement, declarations, and paralegal assistance to any litigants. In June 1991 Armstrong attempted to bring peace to the ORG conflict into which the ORG had drawn him by its attacks on him and its other innocent victims. Armstrong denies that the ORG repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the agreement. There has never been a constant and repeated breach of the provisions of the agreement by Armstrong, nor has there ever been a repeated demand from the ORG. The ORG, in fact, has refused to communicate with Armstrong, but has only attacked him in ways which necessitated, and necessitates, Armstrong's response and by which the ORG waived, and waives, any right to demand an end to such responses and his efforts to defend himself and the tragic victims in the ORG's wake.

4. Armstrong denies that the ORG bargained for peace. It thought by the 1986 settlement that it had manipulated an opportunity to make war without its target being able to defend himself. Armstrong denies that the ORG seeks the Court's aid in obtaining peace. The ORG is using the Los Angeles Superior Court as a weapon in its arsenal for its war on Armstrong and its victims and perceived enemies. Armstrong admits that the ORG requests liquidated damages, but denies that the ORG is due such damages pursuant to the terms of the agreement, and states that said liquidated damages are invalid. By its acts in violation of the agreement the ORG has sacrificed its right to any relief, including damages. It is Armstrong who is due liquidated damages.

Armstrong denies that the ORG requests injunctive relief to prevent additional and future breaches by Armstrong. There have been no breaches by Armstrong and there can be no future breaches by Armstrong because of the ORG's violations of the agreement and because the agreement itself is contrary to public policy and illegal.

5. Armstrong denies CSI's description of itself. It is an arm of a global enterprise operated by David Miscavige and a small band of conspiratorial underlings as a profit-making, anti-religious, totalitarian, psycho-political cult. Armstrong admits that CSI is incorporated under the laws of the State of California and has its principal offices in Los Angeles. Armstrong denies that Scientology is a religion, but is an antireligious, pseudo-scientific philosophy of aberration, deception and domination which employs a self-ascribed religious status so as to exploit the extraordinary benefits conferred by the religious liberty clauses of the First Amendment to the United States Constitution.

6. Armstrong admits that he is a resident of Marin County, California.

7. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

8. Armstrong admits the truth of the averments in this paragraph.

9. Armstrong admits that the agreement was entered into with the participation of respective counsel, but denies that it was after full negotiation. Armstrong denies that the provisions of the agreement were carefully framed by the parties and their

counsel to accurately reflect the agreement of the parties. Armstrong only participated in the framing of one provision in the agreement, the one allowing him to keep his art. Armstrong was, in fact, carefully kept in the dark concerning the settlement provisions by the ORG and his counsel. The provisions, moreover, do not contain the actual agreement of the parties concerning their unenforceability. Nor do they contain the agreement whereby the ORG contracted with Armstrong's lawyer to not represent him in future litigation regarding the agreement. And they do not contain the agreement whereby Armstrong's lawyer would assist the ORG in allowing it to attack Armstrong without his response, nor the side indemnity agreement and other agreements with Armstrong's lawyer for a collusive appeal and rigged retrial of the underlying action. The purpose of the agreement was to engineer a reversal of Judge Breckenridge's 1984 decision holding for Armstrong on Scientology's complaint against Armstrong in Armstrong I.

10. Armstrong denies the totality of this paragraph. There never was a series of covert activities by Armstrong intended to discredit ORG leaders, spark government raids, create phony "evidence" of wrongdoing against the ORG and ultimately destroy the ORG and its leadership. ORG operatives came to Armstrong claiming that they feared for their lives and wanted his help as part of deceptive operation intended to set him up. The accusations in this paragraph are false and part of an ORG intelligence operation to cover up its own crimes and justify its outrageous and malicious attacks on Armstrong. The ORG injected the provisions into the agreement for the purpose of intimidating Armstrong and, having contracted with his lawyer to not defend him

from ORG attacks, to make him open season for Fair Game.

11. Armstrong admits that when asked by ORG lawyer Lawrence Heller during the videotaped signing of the settlement agreement if he was acting of his own free will he said he was. Armstrong was, however, under great duress resulting from years of ORG abuse, threats and attacks, his manipulation by the ORG through his attorney as a deal-breaker during the settlement, and his knowledge of ORG policies of hatred and vindictiveness. Armstrong denies that in later 1991 he revealed for the first time that he believed at the time the agreement was signed the provisions were unenforceable. Armstrong put his opinion of the provisions' unenforceability in his declaration dated March 15, 1990, which the ORG received within a week of that date. Moreover, Armstrong's lawyer, Michael Flynn, advised Armstrong that he had advised the ORG in December 1986, before the agreement was signed that the provisions were unenforceable.

12. Armstrong does not answer these allegations of this paragraph inasmuch as they have been stricken by court order.

13. Armstrong admits the averments of this paragraph.

14. Armstrong admits the averments of this paragraph.

15. Armstrong admits the averments of this paragraph.

16. Armstrong denies each and every averment of this paragraph.

17. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in

this answer.

18. Armstrong admits the averments of this paragraph, but denies that the Aznarans were Scientology parishioners; they were Scientology victims. Scientology is not a religion.

19. Armstrong admits the averments of this paragraph.

20. Armstrong admits that while Yanny was acting as the Aznarans' counsel he asked Armstrong to help him, but denies that Yanny hired him as paralegal to work on the Aznaran case.

21. Armstrong admits that he agreed to travel to Los Angeles from Marin Country but denies that he asked Yanny to pay him $500.00 for his proposed help.

22. Armstrong admits the averments of this paragraph except that he denies that he provided "paralegal assistance." Armstrong did assist in drafting two evidentiary declarations, which he personally executed as a witness.

23. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

24. Armstrong denies each and every averment of this paragraph.

25. Armstrong denies each and every averment of this paragraph. Whatever assistance Armstrong gave Yanny in the Aznaran litigation caused the ORG no damage, but assisted it in its publicly stated goal of peace.

26. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16 and 18 through 25 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and

averred with respect to those specific paragraphs as previously set forth in this answer.

27. Armstrong admits the averments of this paragraph except that he denies that Yanny indicated to CSI's counsel that he represented Armstrong, and Armstrong denies that there exists any order of injunction prohibiting Yanny from representing Armstrong in any manner whatsoever on any matters relating to anyone.

28. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

29. Armstrong denies each and every averment of this paragraph. Armstrong adds, moreover, that if, as the ORG alleges, the Court in RTC v. Yanny rejected Yanny's defense which was supported by Armstrong's declarations, Armstrong could not with those declarations have aided Yanny.

30. Armstrong admits that he attached the settlement agreement to his July 16, 1991 declaration as an exhibit, but denies that he had agreed to keep the terms of the agreement confidential. Armstrong was under duress when signing the agreement and did not ever agree with the unenforceable conditions of the agreement including confidentiality regarding the agreement itself. Nevertheless, he did not discuss the agreement until after it was made public by the California Court of Appeal. Armstrong filed the agreement under seal in the Court of Appeal in February, 1990 in order to prevent a fraud upon the Court being perpetrated by the ORG, and it was the Court of Appeal which sua sponte unsealed the agreement. But prior to filing the agreement in the Court of Appeal, Armstrong had already been relieved of any

conceivable obligation to keep the agreement confidential by the ORG's divulging of its contents in other litigations, and therefore waiving any right to have it remain confidential thereafter.

31. Armstrong admits that he has never paid the ORG $50,000, but denies that the ORG has ever demanded payment of $50,000, denies that he owes $50,000 to the ORG for anything and denies that whatever he has done at any time was a breach of the agreement. The agreement is illegal and against public policy and the ORG has by its own acts sacrificed any right it ever may have had to enforce any of its provisions.

32. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25 and 27 through 31 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

33. Armstrong admits the averments of this paragraph.

34. Armstrong admits that in August 1991 he began working in Ford Greene's office and that his paralegal duties at that time involved work on the Aznaran case. Armstrong denies that thereafter the Aznarans hired John Elstead. Armstrong admits that his employment in Greene's office has continued to the present, but he denies that his activities constitute a daily and continuing breach of any contract. The ORG's bargain has been rendered a nullity, because it is the ORG which has, through its attacks on Armstrong, its overweening reliance on Fair Game and similar antisocial policies, and its attempt to force upon the

world an agreement illegal in the first place, done it to itself.

35. Armstrong denies each and every averment of this paragraph. The ORG's damages are self-inflicted, and they will cease only when the ORG ceases its suppressive, pathological, malevolent and suicidal conduct.

36. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31 and 33 through 35 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

37. Armstrong admits the averments of this paragraph except that he denies that any of his actions are violations of the agreement and that he is required to pay the ORG one penny in liquidated damages.

38. Armstrong admits that he has not paid the ORG $50,000, but denies that the ORG ever made a demand for $50,000 and denies that whatever he has done is a breach of the agreement.

39. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35 and 37 and 38 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

40. Armstrong admits the averments of this paragraph except that he denies that the press release violated the agreement and that the press release constituted disclosures of his experiences

with Scientology. Statements containing the same facts and similar language are contained in the public file in this case in which the ORG has sued Armstrong; therefore there is in the press release no disclosure. Moreover, the ORG, by itself using Armstrong's experiences in its litigations and to attack Armstrong after the settlement lost any right it may have once had to complain of Armstrong's discussing his experiences to counter its attacks. The agreement's confidentiality provisions are antithetical to civilized conduct, impossible to perform, contrary to public policy and illegal.

41. Armstrong admits the averments of this paragraph except that he denies that the distribution of the press release violated the provisions of the agreement. By suing Armstrong publicly, by attacking him publicly and by making public itself the conditions of the agreement, including filing the agreement in open court, the ORG waived any right it may have once had to object to Armstrong's public discussion of the litigation or the agreement it concerned. The agreement, moreover, is illegal; therefore it is unenforceable and Armstrong is not bound by any part of it.

42. Armstrong denies each and every averment of this paragraph.

43. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38 and 40 through 42 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

44. Armstrong admits that on March 20, 1992 he and Greene granted the media interviews, but denies that such interviews were additional. Armstrong denies that any such interviews violated any part of the agreement. Armstrong admits that he stated that he is an expert in the misrepresentations Hubbard made about himself from the beginning of Dianetics until the day he died. Armstrong admits that he is such an expert. Armstrong lacks the information and knowledge sufficient to form a belief as to the truth of the averment in this paragraph that Exhibit C to the ORG's complaint is a true and correct transcription of the CNN broadcast and is therefore unable to admit or deny the same.

45. Armstrong denies each and every averment of this paragraph.

46. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42 and 44 and 45 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

47. Armstrong admits that he agreed to appear voluntarily as an expert witness in the Hunziker case. He denies that his expertise is alleged and denies that his expertise is such that it should be set off in the ORG's complaint in quotation marks. He denies that his expertise is in Scientology, but rather in the fraud of Scientology and the ORG's doctrine of Fair Game. Armstrong admits that the World Institute of Scientology Enterprises, Inc. is named as a defendant in the Hunziker case,

admits that it is an ORG dominated entity, but denies that it, nor any other ORG entity, is protected by the agreement.

48. Armstrong admits that he met with Rummond and Elstead, attorneys for plaintiffs in the Hunziker case, but denies that he discussed his experiences with any entities protected by the agreement. Armstrong denies that any entities are protected by the agreement because it is unenforceable on its face and, moreover, has been rendered void by the ORG's post-settlement attacks on Armstrong and its illegal efforts at enforcement. Armstrong admits that he agreed to appear for plaintiffs as an expert on the aspects of Scientology practices and beliefs of fraud and Fair Game.

49. Armstrong admits the averments of this paragraph except that he denies that he testified at length concerning CSI or any other ORG affiliated entities and individuals protected by the agreement, because no entities or individuals are protected by the agreement due to the ORG's acts to contravene it.

50. Armstrong admits that he produced documents during his March 3, 1992 deposition but denies that there are any documents referred to is paragraph 46 of the ORG's complaint. Armstrong denies moreover that any documents he produced at the deposition were in violation of any agreement.

51. Armstrong admits that he appeared for a deposition on or about March 12, 1992 in the Hunziker case. He denies that he claimed he had been given a subpoena not by the deposing attorney. Armstrong admits that he said he had been given a deposition subpoena by attorney Elstead and that Elstead had filled out the subpoena that morning. Armstrong admits that he refused to

produce the subpoena, but lacks the information or knowledge to admit or deny the averment that it was not served on any of the parties to the case. Armstrong admits that he delivered documents to Elstead on or about March 8, 1992 and requested that he be served with a subpoena, but denies that his delivery of documents was in violation of the agreement.

52. Armstrong lacks the information or knowledge sufficient to form a belief as to what the ORG learned in April 1992 so as to that averment he cannot either admit or deny this allegation. Armstrong does deny that he reacquired any documents which he had previously returned to the ORG. And he denies that he produced any such documents either to Elstead or to opposing counsel at any time.

53. Armstrong denies each and every averment of this paragraph.

54. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45 and 47 through 52 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

55. Armstrong denies each and every averment of this paragraph except that he did testify on or about April 7, 1992 in the Yanny case. The ORG compelled Armstrong to testify on that date in that case. The ORG filed the agreement publicly months before this deposition, and the ORG had forced Armstrong to file the agreement in the Court of Appeal, which sua sponte, unsealed

it, because of the ORG's efforts to make him a party to its subversion of the justice system. The ORG, moreover, divulged the contents of the agreement at least as early as 1989, thus giving up any right it may have had to keep it confidential.

56. Armstrong denies each and every averment of this paragraph.

57. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52 and 55 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

58. Armstrong denies each and every averment of this paragraph.

59. Armstrong admits that he gave a declaration in the Aznaran litigation on August 26, 1991, but denies that his action was a violation of any provision of the agreement.

60. Armstrong admits that his declaration attached as exhibits the two documents referred to in paragraph 58 of the ORG's complaint, but denies that said attachment was in breach of any provisions of the agreement.

61. Armstrong denies each and every averment of this paragraph.

62. Armstrong denies each and every averment of this paragraph.

63. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18

through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55 and 58 through 60 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

64. Armstrong lacks the information or knowledge sufficient to form a belief as to what the ORG learned in March 1992 so as to that averment he cannot either admit or deny.

65. Armstrong denies each and every averment of this paragraph.

66. Armstrong denies each and every averment of this paragraph. He denies moreover that his giving voluntary assistance to anyone not only does not harm the ORG but assists the ORG, and that such voluntary assistance to anyone cannot be proscribed by any agreement, and that any agreement which attempts to proscribe voluntary assistance is against public policy, violative of the Constitutional right to freedom of speech, association, press and religion, and is unenforceable.

67. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60 and 64 and 65 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

68. Armstrong admits the averments of this paragraph, but denies that ORG entities CSI, CSC and RTC are protected by the

agreement, because they cannot be protected legally by an illegal contract and they have acted themselves to vitiate and waive whatever protection they might at one time have had, if any.

69. Armstrong admits that in his May 27, 1992 declaration he did authenticate another declaration he had executed earlier. Armstrong lacks the information or knowledge sufficient to form a belief as to whether the transcript had at one time been ordered sealed in the earlier action between him and the ORG, so as to that averment he cannot either admit or deny. The transcript, however, has been a public document since 1982, and the tape recordings from which the transcript had originated have been found by the 9th Circuit Court of Appeals to contain evidence of criminal fraud and were released to the Criminal Investigation Division of the IRS. Armstrong denies that any of his acts are violations of any paragraphs of the agreement and denies that he is required to pay one cent to CSI.

70. Armstrong denies each and every averment of this paragraph.

71. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65 and 68 and 69 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

72. Armstrong denies each and every averment of this paragraph.

73. Armstrong denies each and every averment of this paragraph.

74. Armstrong denies each and every averment of this paragraph.

75. Armstrong denies each and every averment of this paragraph.

AFFIRMATIVE DEFENSES

76. Plaintiff is a single component of the Scientology Organization ("ORG") that, along with all of the Scientology-related beneficiaries of the settlement are subject to a unity of control exercised by David Miscavige. Plaintiff and all other Scientology-related organizations, entities and individuals were created by David Miscavige and his attorneys as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for the civil and criminal misconduct of Miscavige and all other Scientology-related organizations, entities and individuals. Due to the unity of personnel, commingling of assets, and commonality of business objectives, any effort by plaintiff to separate itself as being independent and separate should be disregarded.

FIRST AFFIRMATIVE DEFENSE

(Failure To State A Cause Of Action)

77. Further answering said first amended complaint, and as a first, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69 and

72 through 75 herein and allege as follows:

The complaint and each cause of action contained herein fails to state a cause of action against these defendants upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(This Court Cannot Enjoin The Practice Of A Profession)

78. Further answering said first amended complaint, and as a second, separate and affirmative defense thereto, these answering defendants allege as follows:

Any attempt by plaintiff to limit the ability to obtain gainful employment by these answering defendants, or any of them, is void and unenforceable as a matter of public policy, and constitutes an unenforceable restraint on the right of defendants, or any of them, to pursue their chosen profession.

THIRD AFFIRMATIVE DEFENSE

(Unclean Hands)

79. Further answering said first amended complaint, and as a third, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, 83, 87 and 88 herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants and/or obtaining the equitable relief requested herein under the doctrine of unclean hands.

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FOURTH AFFIRMATIVE DEFENSE

(In Pari Delicto)

80. Further answering said first amended complaint, and as a fourth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, and 81 through 88, herein and allege as follows:

Notwithstanding the things alleged of defendants in the complaint, which are denied in the applicable paragraphs herein, plaintiffs and their counsels' conduct in connection with the events giving rise to this action bars plaintiff from recovery with regard to the complaint under the doctrine of in pari delicto.

FIFTH AFFIRMATIVE DEFENSE

(Illegality)

81. Further answering said first amended complaint, and as a fifth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, 83, 87 and 88, herein and allege as follows:

Plaintiff is barred from bringing this action as a result of its acts of illegality in connection with matters that give rise to this case. Particularly plaintiff and other Scientology-related entities engaged in a wholesale attempt to obstruct justice, suppress evidence in order to deny redress, due process, and equal protection of the law to its civil and criminal victims by means of obtaining settlements of litigation in actions in various state and federal courts across the United States. In each of those actions attorney Michael J. Flynn was attorney of record, or coordinating counsel for litigants adverse to Scientology. In each of those actions litigants adverse to Scientology were coerced into signing secret settlement agreements the terms of which were substantially similar to those set forth in the settlement agreement at issue herein.

Plaintiff is further barred from bringing this action because as a material part of entering the settlement agreement with defendant, plaintiff required defendant's counsel, Michael Flynn, to sign secret side agreements for indemnification for resolution of the retrial of Armstrong I were plaintiff and other Scientology-related entities successful in obtaining reversal of Judge Breckenridge's decision on appeal. In such agreement Scientology promised to limit its collections of damages to $25,001.00 and to indemnify Flynn for the payment thereof and Flynn, in turn, would indemnify Armstrong for any such judgment. The existence of these secret, side agreements were never disclosed to Armstrong by Flynn, plaintiff, or other Scientology-related entities.

Plaintiff is further barred from bringing this action because as a material part of entering said settlement agreements, it or its agents required attorney Flynn to promise never to take any anti-Scientology cases in the future. Thereafter, although Flynn has refused to provide any declarations for defendant Armstrong, he has been willing to provide documentary assistance to Scientology.

Plaintiff is further barred from bringing this action as a result of its acts of illegality in connection with the commission of acts giving rise to the action entitled Aznaran v. Church of Scientology of California, Case No C88-1786 JMI (Ex) in the United States District Court for the Central District of California (the "Aznaran case"); conduct by plaintiff, its counsel and others, including but not limited to the making of certain settlement proposals to Barry Van Sickle, Esq., for direct communication to Vicki and Richard Aznaran ("the Aznarans") knowing that Van Sickle had been disqualified from representing the Aznarans, and knowing that the Aznarans at the time were represented by Ford Greene and participating in conduct which resulted in the Aznarans (in hopes of facilitating settlement and in accordance with plaintiff's conditions) dismissing their counsel, Ford Greene, whereupon while the Aznarans were in pro per, plaintiff withdrew any offer of settlement and commenced loading up the record with voluminous, sophisticated and dispositive motions, including but not limited to two for summary judgment. In consequence thereof defendants, and each of them, provided aid and assistance to counsel whom the Aznarans subsequently employed for the purpose of preserving their rights to redress, due process and equal protection of the law.

Furthermore, other acts of illegality by plaintiff and other Scientology-related entities have been publicly documented. Plaintiffs have engaged in acts of impropriety, as set forth above, and including what the District Court in the Aznaran case referred to in a written order, entered after most of the events in issue herein, as "outrageous litigation tactics." Also, in addition to the Flynn settlement agreements the conduct of plaintiff and other Scientology-related organizations, entities and individuals against persons "adverse to Scientology" including citizens, counsel, judges and government authorities (including but not limited to illegal surveillance, obtaining telephone company records, breaking and entering, threatening conduct, and violence) have discouraged and intimidated knowledgeable persons from disclosing their knowledge about, or otherwise coming forward against, the illegal activities of plaintiff and other Scientology-related organizations, entities and individuals, and from assisting victims thereof to obtain redress, due process and equal protection of the law.

SIXTH AFFIRMATIVE DEFENSE

(Fraud and Deceit)

82. Further answering said first amended complaint, and as a sixth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, and 81 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because of its fraud and deceit in representing to defendants, and each of them, that its management had changed and no longer would engage in illegal activities, that it wanted to buy peace, that it would leave defendants, and each of them alone, and that the false affidavit that it required

Armstrong to sign as a condition of the setlement would be disclosed only if Armstrong attacked the ORG. Plaintiff made the foregoing representations to defendants, and each of them, with knowledge of the falsity thereof at the time said representations were made and with the intent to deceive defendants, and each of them, who actually and justifiably relied on those material misrepresentations to their injury by signing the settlement agreement. In fact, plaintiff and other Scientology-related organizations, entities and individuals never intended to cease their illegal and immoral activities, never intended to buy peace with defendants, and each of them, never intended to leave Armstrong alone, never intended not to use the false declaration only if Armstrong attacked the ORG, and never intended to abide by the terms of the settlement agreement. Rather plaintiff and other Scientology-related entities intended to use the settlement agreement as a tool for the implementation of the Fair Game Policy and Scientology's litigation tactics so as to engineer a reversal of Judge Breckenridge's decision in Armstrong I, to collusively resolve any re-trial of Armstrong I, to obtain possession of the so-called MCCS tapes which were evidence of Scientology employing attorneys for the purpose of committing future crimes and frauds, to use the false declaration in other litigation without regard to Armstrong's conduct, and to otherwise obstruct justice and suppress evidence of facts which discredited plaintiff and other Scientology-related entities.

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Said Fair Game Policy states that any enemy of Scientology

> "[m]ay be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Scientology's litigation strategy is as follows:

> "The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway, well knowing that he is not authorized, will generally be sufficient to cause his professional decease. If possible, of course, ruin him utterly."

From the outset, prior to the execution of the settlement agreement with defendant, and the execution of all other Flynn settlement agreements, it was the intent of plaintiff and other Scientology-related organizations, entities and individuals to continue to wage war on and harass Armstrong, to continue to engage in illegal activities and conduct, and to suppress evidence and obstruct justice by means of said agreements and to use said agreements as a tool of Fair Game and the litigation strategy of ruin in order to ensure that information regarding Scientology's crimes and civil misconduct would stay suppressed, and its criminal and civil victims would be denied legal redress and justice.

Moreover, Flynn advised Armstrong that he would always be available in the future to represent Armstrong if Armstrong had to litigate with the ORG in the future. Said statement was false and misleading because Flynn had signed an agreement with the ORG promising not to represent anti-ORG litigants in the future. Armstrong relied on the truth of Flynn's statement in signing the settlement agreement.

Plaintiff is further barred from bringing this action against these defendants, and each of them, because of the fraud and deceit against the Aznarans prior to July 1, 1991. Scientology-related organizations, through their counsel John J. Quinn ("Quinn") and William T. Drescher ("Drescher") caused material misrepresentations to be made to the Aznarans with knowledge of the falsity of the misrepresentations at the time they were made and with the intent to deceive the Aznarans, who actually and justifiably relied on those material misrepresentations to their injury, by substituting themselves into the Aznaran case as attorneys pro per in the place of their counsel, Ford Greene, whereupon plaintiffs filed motions for summary judgment against the Aznarans.

Specifically, Quinn, Drescher, and another attorney Barry Van Sickle, on or about June 5, 1991, met in a restaurant when they discussed the possible settlement of both the Aznaran case and the case of Corydon v. Church of Scientology, et al. and discussed certain settlement proposals with regard thereto. Obviously, knowing that Van Sickle had been disqualified at their insistence from representing the Aznarans in the Aznaran case because of his relationship with former Scientology counsel, Joseph A. Yanny, and well knowing that the Aznarans were represented by their Attorney of Record, Ford Greene, Quinn and Drescher made settlement proposals to Van Sickle regarding possible settlement of the Aznaran case. Quinn and Drescher, on behalf of certain Scientology-related entities, specifically discussed details regarding Van Sickle making direct settlement proposals to the Aznarans without the knowledge of their counsel of record, Ford Greene, and with the expectation that the Aznarans might thus be induced to then discharge their attorney, Greene. Furthermore, Drescher, in the presence of Quinn, expressly made it a condition of this meeting and these communications that these discussions would never be repeated and would not become the subject of declarations in either the Corydon case or the Aznaran case. By inducing Van Sickle to make settlement proposals to the Aznarans, the Scientology-related entities made Van Sickle their agent.

On June 20, 1991, or thereabouts, Quinn, Drescher and Van Sickle again met in a restaurant and again discussed joint settlement of the Corydon and Aznaran cases. At this meeting, Quinn and Drescher learned that the Aznarans were now discharging Ford Greene. Neither Quinn nor Drescher disclosed to Van Sickle during either of these restaurant meetings, or at any other relevant time, that plaintiffs were then finalizing substantial motions for summary judgment, and other dispositive motions in the Aznaran case.

Within a very short time thereafter, on July 1, 1991, the Aznarans substituted themselves into the Aznaran case in pro per in place of Greene who they had discharged, and whereupon plaintiffs filed its first motion for summary judgment against the Aznarans.

Believing that they had taken a major step towards concluding a settlement agreement with certain Scientology-related entities, and instead suddenly facing a motion for summary judgment and without essential legal representation, the Aznarans contacted Joseph A. Yanny for assistance. Yanny contacted Quinn and requested that his client continue the hearing date on the summary judgment motion so that the Aznarans could obtain new legal counsel and oppose the motion for summary judgment. Quinn refused to continue the hearing date on the motion for summary judgment. Subsequently, the District Court reinstated Ford Greene as the Aznaran's counsel and shortly thereafter entered a written order referring to the "outrageous litigation tactics" being employed in the case. At the time that Greene was reinstated, and/or shortly thereafter, the Scientology-related litigants in the Aznaran case loaded up the record with six dispositive motions totalling 285 pages with in excess of 2,400 pages of exhibits. Greene had approximately three weeks to oppose all motions. Greene was and is a sole practitioner. Defendants, and each of them, were aware of the ploy described above and in an effort to preserve the Aznarans rights to redress, due process and equal protection of the law assisted Greene as a paralegal on the Aznaran case. But for the conduct of plaintiff, and other Scientology-related entities in the Aznaran case defendants, and each of them, would not have had to assist both Yanny and Greene.

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SEVENTH AFFIRMATIVE DEFENSE

(Estoppel)

83. Further answering said first amended complaint, and as a seventh, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82 and 84 through 88, herein and allege as follows:

Plaintiff is equitably estopped from asserting each and all of the purported causes of action in the complaint by reason of its own acts, omissions, and conduct, or that of its agents, including, but not limited to the fact that it violated the settlement agreement in that it or its agents provided information from Armstrong I that was the subject of the settlement agreement to various persons and in various litigation including but not limited to The London Sunday Times, The Los Angeles Times, the instant litigation, the Corydon litigation, and in Church of Scientology of California v. Russell Miller and Penguin Books Limited in the High Court of Justice, Case No. 6140 in London, England, where a Scientology-related entity filed multiple affidavits attacking defendant Armstrong.

As yet a further basis for barring plaintiff on the ground of estoppel, defendant has requested plaintiff and other Scientology-related entities to release Flynn and his other former attorneys from the agreements they signed never to represent Armstrong again, and plaintiff and said entities have refused to do so.

EIGHTH AFFIRMATIVE DEFENSE

(Waiver)

84. Further answering said first amended complaint, and as an eighth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, and 83, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, by reason of their own acts, omissions and conduct, or that of its agents.

NINTH AFFIRMATIVE DEFENSE

(Mistake Of Law)

85. Further answering said first amended complaint, and as a ninth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 84, and 86 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, advised said defendant that the provisions of the settlement agreement that plaintiff is seeking to enforce herein were not in any way enforceable. Armstrong relied on such representations, but for which he would not have signed said settlement agreement.

TENTH AFFIRMATIVE DEFENSE

(Mistake Of Fact)

86. Further answering said first amended complaint, and as a tenth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 84, and 86 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, advised said defendant that the provisions of the settlement agreement that plaintiff is seeking to enforce herein were not in any way enforceable. Armstrong relied on such representations, but for which he would not have signed said settlement agreement.

ELEVENTH AFFIRMATIVE DEFENSE

(Conflict of Interest)

87. Further answering said first amended complaint, and as a tenth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 86, and 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, in conjunction with settling Armstrong's case against Scientology-related entities, also settled 30 other cases, including cases of his own against Scientology-related defendants without procuring outside counsel for defendant.

TWELFTH AFFIRMATIVE DEFENSE

(Duress and Undue Influence)

88. Further answering said first amended complaint, and as a Twelfth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 87, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because plaintiff and other Scientology-related organizations, entities and individuals had implemented Fair Game Policy stratagems on defendant Armstrong's attorney, Michael J. Flynn and upon other anti-Scientology litigants and would continue such conduct against all such persons unless all said anti-Scientology litigants, including Flynn, signed settlement agreements substantially similar to that signed by defendant Armstrong.

Further, in early December 1986, attorney Flynn and other anti-Scientology litigants, postured Armstrong as a deal breaker, by stating that their desires to settle would be ruined unless defendant Armstrong agreed to settle and led him to believe if he did not sign the agreement, they would not cooperate in such event by acting as Armstrong's witnesses and zealous advocate on the trial of his cross-complaint against Scientology set to commence shortly thereafter in Armstrong I.

THIRTEENTH AFFIRMATIVE DEFENSE

(Laches)

89. Further answering said first amended complaint, and as a thirteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of laches.

FOURTEENTH AFFIRMATIVE DEFENSE

(Impossibility)

90. Further answering said first amended complaint, and as a fourteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of impossibility.

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FIFTEENTH AFFIRMATIVE DEFENSE

(Frustration of Contractual Purpose)

91. Further answering said first amended complaint, and as a fifteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of frustrating defendants', and each of their, ability to perform the terms of the settlement agreement.

SIXTEENTH AFFIRMATIVE DEFENSE

(Unfair and Unreasonable Contract)

92. Further answering said first amended complaint, and as a sixteenth separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is unreasonable and unfair as to defendant Armstrong.

SEVENTEENTH AFFIRMATIVE DEFENSE

(Lack of Mutuality)

93. Further answering said first amended complaint, and as a seventeenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement, as interpreted by plaintiff, lacks in reciprocity and mutuality.

EIGHTEENTH AFFIRMATIVE DEFENSE

(Ambiguity)

94. Further answering said first amended complaint, and as a eighteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement in ambiguous and incapable of enforcement.

NINETEENTH AFFIRMATIVE DEFENSE

(Lack of Adequate Consideration)

95. Further answering said first amended complaint, and as a

nineteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is not supported by adequate consideration.

TWENTIETH AFFIRMATIVE DEFENSE

(Unconscionability)

96. Further answering said first amended complaint, and as a twentieth separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is unconscionable.

TWENTY-FIRST AFFIRMATIVE DEFENSE

(Adhesion)

97. Further answering said first amended complaint, and as a twenty-first, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is a contract of adhesion.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(Hardship)

98. Further answering said first amended complaint, and as a twenty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement would work an unfair hardship on defendants, and each of them.

TWENTY-THIRD AFFIRMATIVE DEFENSE

(Offset)

99. Further answering said first amended complaint, and as a twenty-third, separate and affirmative defense thereto, these answering defendants allege as follows:

Any damages that plaintiff has suffered in consequence of the alleged conduct is exceeded by the damages suffered by defendants, and each of them, in consequence of the misconduct of plaintiff, and plaintiff's agents acts of Fair Game and therefore plaintiff should take nothing.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

(Liquidated Damages Act As Penalty)

100. Further answering said first amended complaint, and as a twenty-fourth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement's provision of liquidated damages is not an approximation of damage, but is intended to act and does act as a penalty.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

(First Amendment - Religion)

101. Further answering said first amended complaint, and as a twenty-fifth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of religion guaranteed by the state and federal constitutions.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

(First Amendment - Speech)

102. Further answering said first amended complaint, and as a twenty-sixth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of speech guaranteed by the state and federal constitutions.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

(First Amendment - Press)

103. Further answering said first amended complaint, and as a twenty-seventh, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of press guaranteed by the state and federal constitutions.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(First Amendment - Association)

104. Further answering said first amended complaint, and as a twenty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants, and each of them, right to freedom of association guaranteed by the state and federal constitutions.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(Privacy)

105. Further answering said first amended complaint, and as a twenty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants, and each of them, right of privacy guaranteed by the state and federal constitutions.

THIRTIETH AFFIRMATIVE DEFENSE

(Implied Covenant of Good Faith and Fair Dealing)

106. Further answering said first amended complaint, and as a thirtieth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the conduct of plaintiff and its agents violates the implied covenant of good faith and fair dealing.

THIRTY-FIRST AFFIRMATIVE DEFENSE

(Justification - Defense of Another, Interests of Third Persons, and the Public)

107. Further answering said first amended complaint, and as a thirty-first, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40

through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 88, herein and allege as follows:

At all relevant times, the acts of these answering defendants were privileged and justified because they were done in the defense of others, the interests of third parties, the interests of justice, and the interests of the public.

THIRTY-SECOND AFFIRMATIVE DEFENSE

(Res Judicata)

108. Further answering said first amended complaint, and as a thirty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff's complaint, and plaintiff's claims for equitable relief and for damages, are barred by the doctrine of res judicata.

THIRTY-THIRD AFFIRMATIVE DEFENSE

(Collateral Estoppel)

109. Further answering said first amended complaint, and as a thirty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff's complaint, and plaintiff's claims for equitable relief and for damages, are barred by the doctrine of collateral estoppel.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

(Failure to Mitigate Damages)

110. Further answering said first amended complaint, and as a thirty-fourth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff, and/or its agent, and/or its counsel, failed to take proper and reasonable steps to avoid or mitigate the damages alleged in the amended complaint, and to the extent of such failure to mitigate or to avoid, damages allegedly incurred by plaintiff, if any, should be reduced accordingly.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

(Action Barred By Equity and Civil Code Provisions)

111. Further answering said first amended complaint, and as a thirty-fifth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 88, herein and allege as follows:

Plaintiff is barred from judicial relief by the general principles of equity and the specific provisions of Part IV of the Civil Code, including but not limited to §§ 3512, 3517, 3519, 3524, (without any admission of wrongdoing by defendants) and 3533.

THIRTY-SIXTH AFFIRMATIVE DEFENSE

(Void As Against Public Policy)

112. Further answering said first amended complaint, and as a thirty-sixth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,

68, 69, 72 through 75, 81 through 88, herein and allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement is void as against public policy.

THIRTY-SEVENTH AFFIRMATIVE DEFENSE

(The Settlement Agreement Cannot Be Specifically Enforced)

113. Further answering said first amended complaint, and as a thirty-seventh, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement cannot be specifically enforced.

THIRTY-EIGHTH AFFIRMATIVE DEFENSE

(The Settlement Agreement Cannot Be Specifically Performed)

114. Further answering said first amended complaint, and as a thirty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement cannot be specifically performed.

THIRTY-NINTH AFFIRMATIVE DEFENSE

(Due Process)

115. Further answering said first amended complaint, and as a thirty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of due process of law as protected by the state constitution and by the Fifth and Fourteenth Amendments to the federal constitution.

FORTIETH AFFIRMATIVE DEFENSE

(Equal Protection)

116. Further answering said first amended complaint, and as a thirty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of equal protection of law as protected by the state constitution and by the federal constitution.

FORTY-FIRST AFFIRMATIVE DEFENSE

(Right to Counsel)

117. Further answering said first amended complaint, and as a forty-first, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of their right to counsel as protected by the state constitution and by the Sixth Amendment to the federal constitution.

FORTY-SECOND AFFIRMATIVE DEFENSE

(Public Domain)

118. Further answering said first amended complaint, and as a forty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the information that defendants, and each of them, are accused of disclosing is in the public domain.

FORTY-THIRD AFFIRMATIVE DEFENSE

(Privilege)

119. Further answering said first amended complaint, and as a forty-third, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the acts that defendants, and each of them, are accused of having committed are privileged.

DEMAND FOR JURY TRIAL

Defendants, and each of them, hereby demand this case be tried by a jury.

WHEREFORE, Defendant Armstrong prays for relief as follows:

1. That CSI takes nothing by its complaint;
2. That Armstrong recover his costs of suit herein;
3. That Armstrong recover his attorney's fees and costs of defending the suit herein;
4. That the Court award such further relief as it may deem proper.

Respectfully submitted,

DATED: July 21, 1992

HUB LAW OFFICES

By:
FORD GREENE
Attorney for Defendant

VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on this 21st day of July at San Anselmo, California.

By:____________________
GERALD ARMSTRONG

VERIFICATION

I, the undersigned, am an officer of defendant The Gerald Armstrong Corporation in the above entitled action. I know the contents of the foregoing Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on this 21st day of July at San Anselmo, California.

By:____________________
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

Graham E. Berry, Esquire
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: July 22, 1992

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Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272
(213) 459-4745

Attorneys for Defendant
GERALD ARMSTRONG

FILED
JUL 22 1992
JAMES H. DEMPSEY, CLERK
BY C.D. WASHINGTON, DEPUTY

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNTY

ORIGINAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

GERALD ARMSTRONG,

Cross-Complainant,

-vs-

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation, CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California Corporation, RELIGIOUS TECHNOLOGY CENTER, a California Corporation, CHURCH OF SPIRITUAL

No. BC 052395 157680

CROSS-COMPLAINT FOR DECLARATORY RELIEF, ABUSE OF PROCESS, AND BREACH OF CONTRACT

TECHNOLOGY,)
)
a California Corporation,)
AUTHOR SERVICES, INCORPORATED,)
a California Corporation,)
AUTHOR'S FAMILY TRUST, ESTATE)
OF L. RON HUBBARD, DAVID)
MISCAVIGE, NORMAN STARKEY)
and DOES 1 through 100,)
inclusive,)
)
Cross-Defendants.)
)
___________________________________)

Cross-Complainant GERALD ARMSTRONG alleges as follows:

PARTIES

1. Cross-Complainant GERALD ARMSTRONG, hereinafter, "ARMSTRONG," is a resident of Marin County, California.

2. Cross-Defendants CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI," CHURCH OF SCIENTOLOGY OF CALIFORNIA, hereinafter "CSC," RELIGIOUS TECHNOLOGY CENTER, hereinafter "RTC," CHURCH OF SPIRITUAL TECHNOLOGY, hereinafter "COST," and AUTHOR SERVICES, INCORPORATED, hereinafter "ASI," are corporations organized and existing under the laws of the State of California, having principal offices and places of business in California and doing business within the State of California within the territorial jurisdiction of this Court.

3. Cross-Defendants AUTHOR'S FAMILY TRUST, hereinafter "AFT," and ESTATE OF L. RON HUBBARD, hereinafter "ERH," are entities that are residents of the State of California.

4. Cross-Defendant DAVID MISCAVIGE, hereinafter "MISCAVIGE," is an individual domiciled in the State of California.

5. Cross-Defendant NORMAN STARKEY, hereinafter

"STARKEY," is an individual domiciled in the State of California.

6. At all times herein mentioned, each Cross-Defendant was the agent, employee or coconspirator of each of the remaining Cross-Defendants, and in doing the things herein mentioned, each Cross-Defendant was acting within the course and scope of its employment and authority as such agent/ representative/employee/coconspirator, and with the consent of the remaining Cross-Defendants.

7. Corporate Cross-Defendants named in paragraph 2, above, are subject to a unity of control, and the separate alleged corporate structures were created as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for these Cross-Defendants' acts. Due to the unity of personnel, commingling of assets, and commonality of business objectives, these Cross-Defendants' attempts at separation of these corporations should be disregarded.

8. The designation of Cross-Defendants as "churches" or religious entities is a sham contrived to exploit the protections of the First Amendment of the United States Constitution and to justify their criminal, tortious and antisocial acts against ARMSTRONG and their other victims. Cross-Defendant corporations are an international, money-making, politically motivated enterprise which subjugates and exploits its employees and customers with coercive psychological techniques, threat of violence and blackmail. Cross-Defendant corporations, CSI, CSC, RTC, COST and ASI act as one organization and are termed hereinafter as the "ORG."

9. Cross-Defendant MISCAVIGE controls and operates the

ORG and uses it to enforce his orders and carry out his attacks on groups, agencies or individuals, including the acts against ARMSTRONG alleged herein.

10. Cross-Defendant entities AFT and ERH derive financial benefit from the ORG, participate in its acts against groups, agencies or individuals, including ARMSTRONG, and participate in MISCAVIGE's and the ORG's efforts to avoid payment of taxes and civil judgments and to confuse courts and persons seeking redress of grievances against MISCAVIGE and the ORG.

11. Cross-Defendant STARKEY controls and operates AFT and ERH and uses them in conspiracy with MISCAVIGE to carry out their attacks on groups, agencies or individuals, including the acts against ARMSTRONG alleged herein.

12. Cross-Defendants DOES 1 through 100, inclusive, are sued herein under such fictitious names for the reason that the true names and capacities of said Cross-Defendants are unknown to ARMSTRONG at this time; that when the true names and capacities of said Cross-Defendants are ascertained ARMSTRONG will ask leave of Court to amend this Cross-Complaint to insert the true names and capacities of said fictitiously named Cross-Defendants, together with any additional allegations that may be necessary in regard thereto; that each of said fictitiously named Cross-Defendants claim that ARMSTRONG has a legal obligation to Cross-Defendants by virtue of the facts set forth below; that each of said fictitiously named Cross-Defendants is in some manner legally responsible for the acts and occurrences hereinafter alleged.

///

///

FACTUAL ALLEGATIONS

13. From 1969 through 1981 ARMSTRONG was a Scientologist who devoted his life to Scientology founder, L. Ron Hubbard, the ideals he proclaimed and the Scientology organization he claimed to have built to promulgate those ideals. After leaving Hubbard's and the organization's employ and control in December 1981, ARMSTRONG was declared by the ORG a "Suppressive Person," or "SP," which designated him an "enemy," and became the target of Hubbard's policy of "Fair Game," which states:

> "ENEMY - SP Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed." (Hubbard Policy Letter 18 October,1967, "Penalties for Lower Conditions.")

The ORG, using Cross-Defendant herein CSC as Plaintiff, filed a lawsuit, No. C 420153, in the Los Angeles Superior Court against ARMSTRONG on August 2, 1982. ARMSTRONG filed a Cross-Complaint against Cross-Defendants CSC and L. RON HUBBARD September 17, 1982, and a Third Amended Cross-Complaint against Cross-Defendants CSC, CSI, RTC and L. RON HUBBARD July 1, 1983. The Complaint and the Cross-Complaint thereto, hereinafter referred to together as Armstrong I, were bifurcated and the underlying Complaint was tried without a jury in 1984. A Memorandum of Intended Decision was rendered by Judge Paul G. Breckenridge, Jr. June 20, 1984 and entered as a Judgment August 10, 1984. The ORG appealed.

14. During the Armstrong I litigation the ORG carried out a massive and international campaign of Fair Game against

ARMSTRONG and his lawyer, Michael J. Flynn of Boston, Massachusetts, hereinafter "Flynn," who had been the prime mover in much of the anti-ORG-related litigation throughout the United States. Acts against ARMSTRONG pursuant to Fair Game included assault, an attempted staged highway accident, attempted entrapment, theft of private papers and original artwork, dissemination of information from his confidential "counseling" records, filing false criminal charges on at least five occasions, global defamation, threat of murder, and illegal electronic surveillance. ARMSTRONG learned during the period he was represented in the litigation by Flynn that Fair Game acts against Flynn included attempted murder, theft of private papers, threats against his family, defamation, thirteen frivolous lawsuits, spurious bar complaints, and framing with the forgery of a $2,000,000 check on a bank account of L. Ron Hubbard.

15. In the fall of 1986, while working as a paralegal in the Flynn firm, ARMSTRONG was aware that settlement talks involving all the ORG-related cases in which Flynn was either counsel or party were occurring in Los Angeles, California between Flynn and the ORG. Such talks had occurred a number of times over the prior four years. On December 5, 1986 ARMSTRONG was flown to Los Angeles, as were several other of Flynn's clients with claims against the organization, to participate in a "global settlement." Prior to flying to Los Angeles, ARMSTRONG had reached an agreement with Flynn on a monetary figure to settle Armstrong I, but did not know any of the other conditions of settlement.

16. After ARMSTRONG's arrival in Los Angeles, Flynn showed him a copy of a document entitled "Mutual Release of All

Claims and Settlement Agreement," hereinafter "the settlement agreement," and some other documents including affidavits, and was advised by Flynn that he was expected to sign them all. Upon reading the settlement agreement ARMSTRONG was shocked and heartsick. (ARMSTRONG hereby waives the attorney-client privilege between him and Flynn only as to their conversations concerning the settlement agreement, the settlement and post-settlement events.) ARMSTRONG told Flynn that the condition of "strict confidentiality and silence with respect to his experiences with the" ORG, since it involved over seventeen years of his life was impossible to perform. ARMSTRONG told Flynn that the liquidated damages clause was outrageous; that pursuant to the agreement ARMSTRONG would have to pay $50,000.00 if he told a medical doctor or psychologist about his experiences from those years, or if he put on a job resume what positions he had held during his organization years. He told Flynn that the requirements of non-amenability to service of process and non-cooperation with persons or organizations adverse to the ORG were obstructive of justice. He told Flynn that agreeing to leave the ORG's appeal of the Breckenridge decision and not respond to any subsequent appeals was unfair to the courts and all the people who had been helped by the decision. ARMSTRONG told Flynn that an affidavit the ORG was demanding that he sign was false, that there had been no management change, that preclear folders were still being culled (as his had been in mid-1986), and that he had the same disagreements with the ORG's Fair Game policies and actions, which had continued without change up to that date. ARMSTRONG told Flynn that he was being asked to betray everything and everyone he had fought for against organization injustice.

17. In answer to ARMSTRONG's objections to the settlement agreement Flynn said that the silence and liquidated damages clauses, and anything which called for obstruction of justice were "not worth the paper they [were] printed on." Flynn stated that representation a number of times and in a number of ways; e.g., that ARMSTRONG could not contract away his Constitutional rights; that the conditions were unenforceable. Flynn stated that he had advised the ORG's lawyers that those conditions in the settlement agreement were not worth the paper they were printed on, but that the ORG, nevertheless, insisted on their inclusion and would not agree to any changes. Flynn pointed out to ARMSTRONG the clauses in the settlement agreement concerning his release of his claims against the ORG and the ORG's release of its claims against ARMSTRONG and stated that they were the essential elements of the settlement and what the organization was paying for.

18. Flynn also stated to ARMSTRONG at that time that he was sick of the litigation and the threats to him and his family, and that he wanted to get out. Flynn stated that all the people involved in his side of the ORG-related litigation were sick of it and wanted to get on with their lives. He said that as a condition of settlement he and his co-counsels in the ORG-related litigation had agreed to not become involved in that litigation in the future. Flynn conveyed to ARMSTRONG a hopelessness concerning the inability of the courts of this country to deal with the ORG, its lawyers and their contemptuous abuse of the justice system. Flynn told ARMSTRONG that if he didn't sign the documents all he

had to look forward to was more years of harassment and misery. When ARMSTRONG expressed his continuing objections to the settlement agreement, Edward Walters, whom Flynn had kept present in the room during this discussion with ARMSTRONG, and who was another of Flynn's clients and a participant in the settling of Flynn's ORG-related litigation, yelled at ARMSTRONG accusing him of killing the settlement for everyone, that everyone else had signed or would sign, and that everyone else wanted the settlement. Flynn told ARMSTRONG that the ORG would only settle with everyone together; otherwise there would be no settlement. Flynn did agree to ask the ORG to include a clause in ARMSTRONG's settlement agreement allowing him to keep his creative works relating to L. Ron Hubbard or the organization.

19. Flynn stated to ARMSTRONG that a major reason for the settlement's "global" form was to give the ORG the opportunity to change its combative attitude and behavior by removing the threat he and his clients represented to it. He said that the ORG wanted peace and unless ARMSTRONG signed the ORG's documents there would be no peace. Flynn stated that the ORG's attorneys had promised that the affidavit ARMSTRONG considered false would only be used by the ORG if ARMSTRONG began attacking it after the settlement. Since ARMSTRONG had no intention of attacking the ORG, and wanted peace for all, he understood that the offensive affidavit would never see the light of day.

20. During ARMSTRONG's meeting with Flynn he found himself facing a dilemma. If he refused to sign the settlement agreement and affidavit all the other settling litigants, many of whom had already been flown to Los Angeles in anticipation of a

settlement, would be extremely disappointed and would continue to be subjected to organization harassment for an unknown period of time. ARMSTRONG had been positioned as a deal-breaker and led to believe he would lose the support of some, if not all, of the settling claimants, several of whom were key witnesses in his case against the ORG. ARMSTRONG was led to believe that all the lawyers involved in his case desperately wanted out of the ORG-related litigation, and should he not sign the settlement documents would become unhappy and unwilling in their representation of him, which prospect he found very distressing. ARMSTRONG reasoned that, on the other hand, if he did sign the settlement documents all his co-litigants, some of whom he knew to be in financial trouble, would be happy, the stress they felt would be reduced and they could get on with their lives. ARMSTRONG believed that Flynn and his other lawyers would be happy and the threat to them and their families removed. ARMSTRONG believed that the ORG would have the opportunity its lawyers said it desired to clean up its act, start anew and live peacefully. ARMSTRONG was happy to have the litigation end, to have the opportunity to get on with the next phase of his life, to have the financial wherewithal to do so, to not have to testify in all the litigation and to not have to respond to the media's frequent questions. Thus, armed with Flynn's assurance that the conditions he found so offensive in the settlement agreement were not worth the paper they were printed on, and the knowledge that the ORG's attorneys were also aware of that fact, ARMSTRONG put on a happy face and on the following day went through the charade of a videotaped signing. A true and correct copy of the settlement agreement is attached hereto as Exhibit A.

21. On December 11, 1986, pursuant to stipulation, Judge Breckenridge issued orders dismissing the Armstrong I Cross-Complaint, directing that the settlement agreement be filed and retained by the clerk under seal, releasing to the ORG all trial exhibits and other documents which had been held by the clerk of the Court, and sealing the entire Court file. Despite the Court's specific order the ORG never filed the Settlement Agreement.

22. On December 18, 1986 the California Court of Appeal, Second Appellate District, Division Three, issued an unpublished opinion dismissing the ORG's appeal from the Breckenridge decision on the ground that there would be no appealable final judgment until after trial of the Armstrong I Cross-Complaint. In the meantime, however, as described above, the ORG had settled the Cross-Complaint with ARMSTRONG.

23. The ORG filed a Petition for Rehearing of its appeal in the Court of Appeal, which was denied January 15, 1987; then a Petition for Review by the California Supreme Court which was denied March 11, 1987. On January 30, 1987 the ORG filed in the Los Angeles Superior Court an "Unopposed Motion to Withdraw Memorandum of Intended Decision," which Judge Breckenridge denied February 2, 1987. On February 9, 1987 the ORG filed a Notice of Appeal from the orders issued pursuant to stipulation by Judge Breckenridge on December 11, 1986.

24. The ORG, and all Cross-Defendants herein, did not desire peace from the December 1986 settlement with ARMSTRONG but an advantage wherein they could continue to attack him without his being able to respond. They removed his lawyers from defending

him, and used his lead lawyer, Flynn, as their agent to relay to ARMSTRONG threats of litigation and to keep him from responding to their attacks. Immediately following the settlement ORG operatives contacted Beverly Rutherford, one of ARMSTRONG's friends from his pre-Scientology past, to try to get information from her concerning ARMSTRONG of a personal and embarrassing nature to be used against him. Also immediately following the settlement the ORG delivered a pack of documents concerning and attacking ARMSTRONG to reporters Robert Welkos and Joel Sappell of the Los Angeles Times. The ORG has continued from the date of the settlement to collect intelligence information on ARMSTRONG, to consider him an enemy and to treat him as Fair Game. The settlement itself in intention, form, and effect was an act of Fair Game.

25. Although contacted a number of times by the media for statements concerning the ORG or Hubbard in the three years following the settlement, ARMSTRONG did not make any public statements during that period. He attempted to live peacefully and did not respond to ORG attacks, notwithstanding the fact that the attacks caused him great distress, had a great deleterious effect on his life, and caused him to become hopeless about ever really being left in peace by the ORG, its operatives and helots.

26. In the fall of 1987 ARMSTRONG received a document, which had been created and circulated by the ORG to discredit ARMSTRONG and writer Bent Corydon. In this document the ORG accused ARMSTRONG of "numerous false claims and lies," of "incompetence as a researcher," as having "stolen valuable documents from [ORG] archives," and of being part of "a small

cabal of thieves, perjurers and disreputable sources." Such statements were themselves lies, known to the ORG to be lies, malicious, and intended to destroy ARMSTRONG's reputation and credibility. In this document as well the ORG describes ARMSTRONG's experiences in the organization as Hubbard's archivist and biographical researcher, and discusses aspects of the Armstrong I litigation, all in violation of the letter and spirit of the settlement. The statements in this document concerning ARMSTRONG caused him great emotional distress.

27. On October 7, 1987 ARMSTRONG received a call from Flynn who relayed to him a message from Earle C. Cooley, a principal ORG lawyer, concerning the then proceeding trial in the case of Church of Scientology of California v. Russell Miller and Penguin Books Limited in the High Court of Justice, Case No. 6140 in London, England. According to Flynn, Cooley stated that it had been disclosed during the trial that Miller possessed documents in violation of sealing orders in Armstrong I, and Cooley threatened that if ARMSTRONG talked to any of the attorneys or parties involved in the trial the ORG would view it as a breach of the settlement agreement. ARMSTRONG took this message as a very real threat, as an act of Fair Game, and was emotionally shocked by it. ARMSTRONG did not know at that time that the ORG was filing affidavits in the Miller case attacking him and accusing him of the alleged sealing order violations.

28. In early 1988 ARMSTRONG received a number of affidavits the ORG had filed in Miller, which accuse ARMSTRONG of, inter alia, retaining documents in violation of a Los Angeles Superior Court order, providing documents to Russell Miller in

violation of a court order, and violating court sealing orders. The affidavits, moreover, accuse ARMSTRONG of being "an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [ORG] files which would then be "found" by Federal officials in subsequent investigations as evidence of criminal activity," and of intending to "plant forged documents within the [ORG] and then using the contents to get the [ORG] raided. All of the ORG's accusations regarding ARMSTRONG in the affidavits filed in Miller are false, known by the ORG to be false, malicious and intended to destroy ARMSTRONG's credibility. The act of threatening ARMSTRONG with a lawsuit if he communicated with attorneys in the Miller case while the ORG was filing perjurious affidavits about him in that case is a criminal obstruction of justice. This strategy caused and continues to cause ARMSTRONG terrible emotional distress. It demonstrates the ORG's hatred for ARMSTRONG, its cynical abuse of the processes of justice, its unrelenting determination to destroy ARMSTRONG, its complete disregard for the truth, and its disregard for ARMSTRONG's mind, spirit or feelings. ARMSTRONG has proven over and over to the ORG that its accusations are false, but the ORG has not corrected the falsehoods wherever they have been uttered or written but has continued to spread its lies about ARMSTRONG in pathological defiance.

29. The ORG's affidavits filed in Miller also contain descriptions of ARMSTRONG's experiences in the organization and conditions of the settlement agreement. At the same time the ORG demanded that ARMSTRONG not discuss his own experiences or conditions of settlement on penalty of $50,000.00 an utterance.

The ORG, while falsely accusing ARMSTRONG in Miller of sealing order violations, itself filed documents in the case straight out of the sealed Armstrong I file. These are samples of the ORG's perversions of rationality, abuse of the legal process and malicious duplicity that have continued as the ORG's modus operandi in its legal relationship with ARMSTRONG since the settlement. These perversions and abuses are intended, pursuant to the ORG's policies of hatred in action, to bring about ARMSTRONG's mental disintegration and total destruction. They are conscious and premeditated acts by the ORG of Fair Game. These acts have caused ARMSTRONG great anguish and threatened his peace and capacity to live a normal life.

30. Also in October 1987 ARMSTRONG received a call from a reporter from the London Sunday Times who advised him that ORG representatives had given the newspaper a pack of documents concerning him. The reporter said that the ORG representatives were claiming that ARMSTRONG was an agent provocateur who tried to plant forged documents in the organization and wanted to destroy the scientology religion. The reporter also said that the ORG representatives had given the newspaper a videotape of ARMSTRONG they claimed showed him conspiring to overthrow ORG management. ARMSTRONG was extremely distressed by what the reporter told him the ORG had done; nevertheless he told the reporter that although he considered the ORG's attacks violated the settlement agreement he would not respond to them.

31. On December 21, 1988 ARMSTRONG received a call from Flynn who relayed a message from Michael Lee Hertzberg, one of the organization's leading lawyers. Flynn stated that Paul Morantz,

Bent Corydon's attorney in the case of Corydon v. CSI, Los Angeles Superior Court case no. C 694401, had filed a motion to unseal the Armstrong I court file. Judge Bruce R. Geernaert, who had inherited the Armstrong I case after Judge Breckenridge retired, allowed the unsealing. Flynn told ARMSTRONG that the ORG had thirty days to appeal and wanted ARMSTRONG to file a pleading to keep the court file sealed, and that if he didn't the "pig document" would come out. This document, which was specifically sealed by Judge Breckenridge in Armstrong I, was the recitation of a dream ARMSTRONG had had in 1985. ARMSTRONG had sent it to Dan Sherman, a writer ARMSTRONG had been led to believe in 1984, as a result of an ORG intelligence operation, hereinafter "Armstrong Operation," designed to entrap him and destroy his reputation, was helping his writing career by critiquing his literary efforts. Sherman, whom the ORG was controlling in the Armstrong Operation through blackmail, turned ARMSTRONG's dream over to his ORG handlers. The ORG filed the dream in Armstrong I as proof that ARMSTRONG was "a pathetic and troubled individual who engaged in one illegal or deviant act after another." Flynn also told ARMSTRONG during his December 21 call that Hertzberg had said that if ARMSTRONG didn't file a pleading it would unsettle the settlement and that Hertzberg said he had a case on point. Flynn told ARMSTRONG that Hertzberg said it would be bad for him; that ARMSTRONG could have to give back the settlement money. Flynn told ARMSTRONG that Hertzberg's message was "a veiled threat." Although ARMSTRONG was grief-stricken by this threat he stated to Flynn that his decision was to do nothing.

32. On December 27, 1988 ARMSTRONG spoke again by phone

with Flynn, who said that after Judge Geernaert's unsealing of the Armstrong I court file the ORG filed a notice of appeal from the Geernaert ruling and a petition for a writ of supersedeas, claiming the file's sealing was consideration for settlement. In his response Morantz had filed some settlement documents, a notary seal from the State of Pennsylvania on which identified William Franks, like ARMSTRONG a former organization executive and witness in various ORG-related cases, as their source. Franks had sent the documents to a lawyer to look at and that lawyer had sent them to another lawyer who had given them to Morantz. Flynn said to ARMSTRONG that the ORG has reacted, claimed to have "the smoking gun," the proof of settlement agreement violations. Flynn said that the ORG knew that during the previous summer Franks had spent time with Richard and Vicki Aznaran, ORG executives who had defected and filed a lawsuit against it, and the ORG had some instance of Homer Schomer doing something three weeks before this conversation with ARMSTRONG. Flynn advised ARMSTRONG that he was going to file a pleading to say that the settlement documents should remain sealed. ARMSTRONG said to Flynn that he felt the file should be unsealed, that it would almost certainly be unsealed at some point, but that he would not file a pleading at that time. Around November 15, 1989 ARMSTRONG received from Toby Plevin a copy of the document Flynn had filed against Armstrong's wishes entitled "Response of Gerald Armstrong to Opposition Filed By Real Party in Interest, Bent Corydon."

33. On October 11, 1989 ARMSTRONG was served with a deposition subpoena duces tecum which had been issued by Toby Plevin, an attorney representing Corydon in his litigation against

the ORG. Within a few days of this service Plevin called ARMSTRONG to confirm that the deposition venue was acceptable and advise him that the October 20 deposition date would probably be changed, and to ask him for alternative dates which would be convenient for him. ARMSTRONG spoke with Plevin two or three times over the next week to set or cancel dates. During one conversation Plevin informed ARMSTRONG that she had received "a threatening letter" concerning ARMSTRONG's deposition from ORG lawyer Lawrence Heller. Plevin read to ARMSTRONG parts of Heller's letter in which he stated that it was inconceivable that ARMSTRONG had any information relevant to Corydon's lawsuit, that Plevin was seeking to breach the settlement agreement by proceeding with ARMSTRONG's deposition, and that should it ever go forward he would apply to the court for sanctions. At this point ARMSTRONG realized that he was viewed as very important to both sides in the Corydon litigation, that he was again intensely involved with the ORG and could not avoid involvement.

34. On October 23, 1989 ARMSTRONG received a call from Heller who stated that the ORG would seek a protective order to prevent the deposition from going forward but that it probably would anyway. Heller asked ARMSTRONG if he would have an attorney at the deposition, and ARMSTRONG said that Michael Flynn did not wish to be involved, that so far he did not have another attorney for the deposition, and that it was likely that he would not. Heller offered to have the ORG pay for an attorney for ARMSTRONG to be present at the deposition. ARMSTRONG asked Heller if it could be any attorney of his choice, and Heller stated that he didn't see any problem but would need to ensure that the attorney

did what the ORG wanted. He said that to maintain the settlement agreement ARMSTRONG could only answer questions by court order, that ARMSTRONG should refuse to answer the deposition questions and force Corydon to get an order from the court compelling ARMSTRONG to answer. ARMSTRONG told Heller that he would think about the problem and get some advice. Heller gave ARMSTRONG his phone number and asked ARMSTRONG to call him back within two days.

35. Following his conversation with Heller, ARMSTRONG called Flynn and informed him of Heller's call and offer. Flynn said that Heller had called him earlier and offered to pay him to attend ARMSTRONG's deposition to prevent his testifying. Flynn said that he had refused Heller's offer and reiterated that he did not wish to be involved in any way in ORG-related litigation. ARMSTRONG confirmed with Flynn that nothing in the settlement agreement proscribed his obtaining assistance or advice from anyone currently involved in litigation against the ORG. ARMSTRONG then called Plevin, told her of Heller's offer to have the ORG pay for an attorney for him at the deposition, and asked her if she and Corydon could match the offer. Plevin stated that she was a sole practitioner, that she and Corydon were keeping his lawsuit going "on a shoestring," and that even if they could afford it they would not pay for an attorney for ARMSTRONG because it would be unethical.

36. On October 25, 1989 ARMSTRONG called Heller to tell him he considered it inappropriate for the ORG to pay for an attorney for him. Heller told ARMSTRONG that he had a problem with ARMSTRONG responding to deposition questions concerning such things as L. Ron Hubbard's misrepresentations or ARMSTRONG's

period as Hubbard's archivist in the organization. Heller said he wanted to have an attorney present to instruct ARMSTRONG not to answer such questions so that Corydon would have to move to compel an answer. Heller said that if the court ordered sanctions for ARMSTRONG's refusal to answer, the ORG would indemnify him. Heller said that ARMSTRONG had a contractual obligation to the ORG, which it had paid a lot of money for, not to divulge confidential information, and that if ARMSTRONG did answer deposition questions he would have breached the settlement agreement and may get sued. Heller said that he realized that ARMSTRONG was in the middle and that his safest position was to refuse to answer, make Corydon bring a motion to compel and let the court be the final arbiter.

37. Heller's threats, the earlier threats and ORG post-settlement attacks described above, ARMSTRONG's understanding of his importance to and involvement with the ORG, and his knowledge of the ORG, its fraud and Fair Game, moved him at that time to protect himself by taking a stand against the ORG's antisocial acts. ARMSTRONG's own lawyer, even though compromised, had advised him that the restrictive conditions of the settlement agreement were unenforceable, yet the ORG was attempting to enforce them in a manner which was inconsistent with the spirit of settlement. ARMSTRONG viewed the conditions and their attempted enforcement as an ongoing obstruction of justice and violation of his and others' Constitutional rights, and he began to assemble documentation and prepare a declaration to oppose these ORG abuses.

38. On November 1, 1989 Heller, on behalf of ORG entity

ASI, a defendant in Corydon, filed a motion "to Delay or Prevent the Taking of Certain Third Party Depositions," relating to the depositions of Homer Schomer and ARMSTRONG. Heller states in the motion:

> "One of the key ingredients to completing these settlement, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology parishioner or staff member's experiences within the Church of Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members or parishioners; and (3) the terms and conditions of the settlements themselves."

39. On November 18, 1989 ARMSTRONG received a copy of a videotape edited from illegal videotapes of him made in 1984 by ORG intelligence operatives and used thereafter against him. This copy had been given to the London Sunday Times, along with a package of documents concerning ARMSTRONG by ORG operatives. Taped to the video cassette was the business card of Eugene M. Ingram, the ORG's private detective who had set up the illegal videotaping. Ingram had also, in 1984, in a telephone call to ARMSTRONG threatened to "put a bullet between [his] eyes." Ingram is well-known by ORG victims as a vicious, dishonest bully, and is reputed to have been thrown off the Los Angeles Police Department for pimping, pandering and cocaine use.

40. On November 20, 1989 ARMSTRONG received a call from Heller who said he wanted to talk ARMSTRONG into giving the ORG a declaration. Heller said Homer Schomer, who had also been subpoenaed to testify at a deposition in Corydon had given the ORG

a declaration. Heller said that it was very simple and straightforward, just two things: that ARMSTRONG had either no or minimal contact with Corydon in the organization, and that subsequent to leaving he had received no information about Corydon. Heller said that ARMSTRONG's signing a declaration to help ensure the deposition doesn't go forward would be of assistance to the ORG and ARMSTRONG. Heller said that if ARMSTRONG's deposition went forward they would both have hassles. ARMSTRONG told Heller that it would be inappropriate and he couldn't give Heller a declaration. ARMSTRONG told Heller that he knew Corydon quite well. Heller said that he and the ORG did not see ARMSTRONG as a relevant witness but a way for Corydon's attorneys to leverage a settlement. ARMSTRONG told Heller that he saw himself as a relevant witness, and that "from everything I've seen that's going on and everything I've heard that's going on and knowing my history and the issues I cannot see ducking (the deposition) at all. The truthful declaration would be that I would see that my experiences and my knowledge of Bent would be relevant to his case." Heller said that if ARMSTRONG thought he would be helping Bent Corydon by appearing, he might, but that for sure Corydon would never help ARMSTRONG. Heller said that only the ORG would ever help him. Heller said that ARMSTRONG should assist the ORG because it had honored its agreement. He said that the ORG had signed a non-disclosure agreement as well and as far as he knew had lived up to its agreement. When ARMSTRONG paused in answering, Heller said that if there had been any violations he wanted to know and he would rectify the problem. ARMSTRONG stated, "I think you could check with Ken Long on what has been done regarding Gerald Armstrong subsequent to the settlement. Just get from him everything that's been filed regarding Armstrong, all his declarations regarding me, all the so-called false report corrections that have been put out subsequent to the settlement, any time the so-called Armstrong Operation videotape has been used subsequent to the settlement." Heller reiterated at the end of the conversation that if ARMSTRONG started to testify, for example about the Hubbard biography project, or things he and the ORG considered irrelevant, they would carefully examine their rights as to what action they will take. He said that he strongly suggested that ARMSTRONG refuse to answer subject to attorney instruction. He told ARMSTRONG that he had a contractual obligation as far as he could tell.

41. On November 30, 1989 ARMSTRONG attended a hearing in Corydon of the ORG's motion to prevent his deposition from going forward. While at the hearing he was served with a subpoena duces tecum ordering him to appear as a witness in the trial of Religious Technology Center v. Joseph A. Yanny, Los Angeles Superior Court Case no. C 690211. On February 15, 1990 ARMSTRONG received a call from one of Michael Flynn' partners, attorney Michael A. Tabb, who said he had been called by Heller who told him that the ORG considered ARMSTRONG had violated the settlement agreement by being in the courthouse to be served in Yanny, that they intended to prove it, and that he would be sued.

42. On January 18, 1990 ARMSTRONG received from Flynn, Sheridan and Tabb, a copy of Appellants' Opening Brief which the ORG had filed December 21, 1989 in appeal no. B025920 in Division Three of the Second Appellate District in the California Court of

Appeal. In this appeal, the notice of which had been filed February 9, 1987, the ORG sought a reversal of the 1984 Breckenridge decision. On January 30, 1990 ARMSTRONG received from Flynn, Sheridan & Tabb the Reply Brief of Appellants and Response to Cross-Appeal filed in Division Four in the Second Appellate District in an appeal entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant; Bent Corydon, Appellee, No. B038975. In this appeal the ORG sought a reversal of Judge Geernaert's ruling unsealing the Armstrong I court file.

43. Although and because the settlement agreement prohibited ARMSTRONG from opposing in any way any of the appeals the ORG might take, he filed a Petition for Permission to Respond in the B025920 Division Three appeal February 28, 1990, and in the B038975 Division Four appeal March 1, 1990. The Division Three Court granted Armstrong's petition March 9, and he filed a Respondent's Brief July 9, 1990 in that appeal. On April 9, 1990 the B038975 appeal was transferred to the Division Three Court, which on October 16, 1990 granted Armstrong's petition to respond in that appeal, and Armstrong filed a responding brief December 28, 1990. The Division Three Court consolidated the two appeals and issued its opinion July 29, 1991, upholding the Breckenridge decision and denying the Geernaert ruling as to public access. Corydon had already had access and had copied approximately 20 inches of documents from the Court's file.

44. Although Armstrong attempted to abide by the spirit of settlement and bring peace to his relationship with the ORG, he was driven back into its litigations and compelled to combat its

antisocial practices because of its post-settlement attacks on his character and credibility, its threats of litigation or exposure of incidents from his past that the ORG considered embarrassing to him or useful in controlling him, its own violations of the settlement agreement, and its use of the agreement to obstruct justice. Armstrong's first act of confrontation was filing the two petitions for permission to respond to the ORG's appeals in the Court of Appeal. The ORG filed an opposition to ARMSTRONG' petition in the B025920 appeal, but the Division Three Court had already granted the petition. The ORG filed an opposition in the B038975 appeal in Division Four, and Armstrong filed a Reply thereto March 23, 1990. Armstrong supported his reply with a declaration he executed March 15, 1990 in which he detailed the ORG's attacks on him, its threats and its settlement agreement violations known up to that time.

45. ARMSTRONG's March 15, 1990 declaration was filed on March 19, 1990 as an exhibit to a motion brought by Toby Plevin in the Corydon case for an order directing non-interference with witnesses. On March 27, 1990 the ORG filed an opposition to Corydon's motion, supported by declarations of Lawrence Heller dated March 27 and Kenneth Long dated March 26. Heller states in his declaration:

> "The confidentiality provisions of the Armstrong Settlement Agreement are nor (sic) reciprocal in nature. Mr. Armstrong does have duties of confidentiality under the terms of the Armstrong settlement [ ]. However, there are no reciprocal duties of confidentiality under the terms of the Armstrong

> Settlement Agreement that apply to any of the [ORG] parties in the settlement. [ ] An important part of the Armstrong settlement was that the [ORG] was not bound by the same confidentiality provisions as Armstrong and that the [Org] parties remain free to comment upon and use information pertaining to Mr. Armstrong's experiences in the [ORG]. At the time of the settlement, information from Mr. Armstrong was being used in a number of cases around the world. It was important to the [ORG] parties to the Armstrong settlement that they remain free to defend themselves against allegations supported by information originating from Armstrong prior to the settlement. I discussed this aspect of the confidentiality provisions the (sic) settlement agreement with Armstrong's counsel, Michael J. Flynn, during my settlement negotiations with him in 1986 and it was clearly understood by both sides of the negotiations that the confidentiality provisions were not to be reciprocal. Any assertions now being made by Armstrong (sic) are false."

Heller also states in his opposition:

> "[A]n important part of the Settlement Agreement revolved around the continuing ability of the [ORG] to refute the often bizarre allegations made by Mr. Armstrong. Thus, this issue was addressed during the settlement negotiations, with the result that no (emphasis in original) clause was included in the agreement preventing the Church from such action."

Heller's lies to ARMSTRONG, his lies in sworn declarations about the reciprocality of the settlement agreement, the trap ARMSTRONG had been placed in by the ORG and his own attorney, who, because of ORG Fair Game tactics, had deserted him while setting him up him to be a defenseless ORG punching bag caused ARMSTRONG great distress and grief.

46. In his March 27 1990, declaration and in the opposition Heller denied that the three telephone calls with ARMSTRONG occurred, denied offering to have the ORG pay for an attorney at ARMSTRONG's deposition in Corydon, denied offering to indemnify ARMSTRONG for sanctions which might be imposed by the court, and denied threatening ARMSTRONG with litigation. These denials are lies and caused ARMSTRONG fear and emotional upheaval.

47. In his March 26, 1990 declaration, Kenneth Long, the ORG staff member who had executed a number of the affidavits concerning ARMSTRONG which were filed in the Miller case, stated:

> "In January, 1987, following settlement of Scientology (sic) of California ("CSC"), Armstrong turned over to CSC all [ORG]-related documents in his possession. I personally inspected the documents turned over by Armstrong, and found a number of copies of the documents which Armstrong had previously sworn that he had surrendered to the Clerk of the Court. [ ] Based on my discovery of these documents, I concluded that Armstrong had intentionally perjured himself on numerous occasions, and had as well knowingly violated orders issued by judges at all levels ranging from the Los Angeles Superior Court to the Supreme Court of the

United States."

Long's statement is false, reckless and malicious and caused ARMSTRONG great distress. Long stated as well that his affidavits attacking ARMSTRONG in Miller were necessary "to detail the elements of the breach of confidence against Miller and Penguin, and the claim could not have been brought without explaining the underlying actions taken by Armstrong." The attacks on ARMSTRONG in Miller while his lawyer was used by the ORG to relay its threat of suit should he defend his reputation in that case, and the follow up attacks in Corydon were psychologically devastating to ARMSTRONG.

48. On March 21, 1990 ARMSTRONG spoke by phone with Michael Flynn, who said that he had been called by Lawrence Heller two or three weeks before. Flynn said that Heller told him that ARMSTRONG was right then sitting in the courtroom at the Yanny trial and he asked Flynn to call ARMSTRONG and tell him that if he testified in Yanny he would be in violation of the settlement agreement and would be sued. Flynn told ARMSTRONG that he told Heller no. ARMSTRONG had been present at the Yanny trial March 5, 1990.

49. On April 4, 1990 ARMSTRONG was served with a subpoena duces tecum from ORG entities ASI and Bridge Publications, Inc. ordering the production at a deposition in Corydon on April 24 of any sound recordings or other records he possessed of his telephone conversations with Heller. At the deposition ARMSTRONG produced his notes from the October 23 and 25 and November 20, 1989 conversations and a transcript of a recording of ARMSTRONG's side of the November 20 conversation.

50. In early April, 1990 ARMSTRONG received a call from ORG lawyer Eric Lieberman who suggested to ARMSTRONG that World War III would happen if he continued to speak out against the ORG in violation of the settlement agreement. ARMSTRONG related to Lieberman a list of the ORG's post-settlement attacks on ARMSTRONG in violation itself of the agreement. Lieberman dismissed ARMSTRONG's grievances as insignificant and old. Nevertheless, because Lieberman had said that World War III might depend on what ARMSTRONG did at that time, on April 9, 1990 he wrote to the ORG to initiate a dialogue and attempt to resolve the conflict. This and all ARMSTRONG's attempts at achieving peace with honor have been rejected or ignored by the ORG.

51. On July 8, 1988 the Internal Revenue Service issued a document entitled "final adverse ruling" to Cross-Defendant herein COST denying its application for tax exempt status. In that ruling the IRS states:

> "In support of the protest (protest conference was held in January 1987) to our initial adverse ruling, we were supplied with copies of affidavits dated December 4, 1986, from Gerald Armstrong and Laurel Sullivan. Ms. Sullivan was the person in charge of the MCCS project (the ORG's "Mission Corporate Category Sort-out," the purpose of which was to devise a new organizational structure to conceal L. Ron Hubbard's continued control). The affidavits state that the new church management 'seems to have returned to the basic and lawful policies and procedures as laid out by the founder of the religion, L. Ron Hubbard.' The

> affidavits conclude as follows: 'Because of the foregoing, I no longer have any conflict with the Church of Scientology or individual members affiliated with the Church. Accordingly I have executed a mutual release agreement with the Church of Scientology and sign this affidavit in order to signify that I have no quarrel with the Church of Scientology or any of its members.'"

The ORG filed the ARMSTRONG affidavit in the COST case for the purpose of destroying his credibility. It filed the affidavit in express violation of the representation the ORG had Flynn make to ARMSTRONG that it would never be used unless ARMSTRONG attacked the ORG after settlement. The ORG has now, as a result of ARMSTRONG's claim that the affidavit is substantially false, publicly accused ARMSTRONG of perjury for the ORG's subornation. The betrayal that resulted in the ORG's filing of the affidavit, the use of the courts in such a cynical manner, and the terrifying campaign to destroy ARMSTRONG's reputation and sanity, which this affidavit now signifies, have left ARMSTRONG emotionally branded for life.

52. In August 1990 ARMSTRONG, acting out of faith that he was so guided, gave away all his assets, including his one hundred percent ownership of the outstanding shares of The Gerald Armstrong Corporation, and forgave all debts owed him. Thereafter he attempted to accept guidance as reason for doing what he did; that is what he was called to do. He has several areas of expertise and knowledge in which his help has been and may be called for. Because of his history, knowledge and willingness, he has been called on by various people to help them against ORG

tyranny or chicanery. It is his determination to promote justice and peace wherever he goes and in no matter what he is called upon to do.

53. In June 1991, while visiting relatives in Canada, ARMSTRONG received a call from Malcolm Nothling in South Africa asking for his help in the trial of a lawsuit Nothling had against the ORG in that country. From listening to Nothling ARMSTRONG evaluated that he could be helpful in the case, and felt compelled to help because Nothling had not been able to get anyone else in the world to help. ARMSTRONG then wrote Eric Lieberman on June 21, 1991 in the hope of peacefully settling what ARMSTRONG had come to understand generally as the Scientology conflict, and the Nothling case specifically. Lieberman wrote back rejecting ARMSTRONG's attempt to resolve the conflict peacefully. The ORG is presently publicly accusing ARMSTRONG of fomenting litigation, hatred and ill-will toward the ORG with his June 21, 1991 letter to Lieberman. But it is the ORG which has fomented all its litigation, by its use of the courts to attack its perceived enemies, by continuing abuse of its employees and customers and by its repugnant policies such as Fair Game. In truth ARMSTRONG has consistently urged the ORG to end all its litigation, get out of the "litigation business", and solve its problems with its victims and "enemies" with honest efforts, open communication and decency.

54. In July, 1991 ARMSTRONG received a call asking for help from Joseph A. Yanny who had just become the attorney for Richard and Vicki Aznaran in the case of Aznaran v. CSC, et al., in United States District Court, Central District of California, No. CV-88-1786-JMI(Ex), after the ORG had tricked the Aznarans

into firing their former attorney in the case, Ford Greene. ARMSTRONG travelled to Los Angeles, and assisted Yanny by writing two declarations for use in the Aznaran case, by providing understanding of the psychological battle the ORG waged against its victims and enemies, and by encouraging truth and honor. ARMSTRONG could stay only a few days in Los Angeles because he was scheduled to fly to South Africa to help Malcolm Nothling in his quest for justice. While en route to South Africa ARMSTRONG learned from Yanny that Yanny had been sued by the ORG in connection with his relationship with ARMSTRONG. While between planes in New York ARMSTRONG wrote a declaration detailing why he helped Yanny, his guided calling and what he did on the Aznaran case.

55. The ORG's lawsuit against Yanny, RTC, CSI and CSC v. Yanny, Los Angeles Superior Court No. BC 033035, charged Yanny, who had formerly been an ORG lawyer, with representing ARMSTRONG in litigation against the ORG. Although ARMSTRONG, who is a writer and artist, had consulted Yanny regarding literary and intellectual property matters, Yanny had never represented ARMSTRONG in any matter regarding the ORG and ARMSTRONG had never consulted with Yanny regarding his ORG-related legal problems. The ORG invented the charges against Yanny and ARMSTRONG in the Yanny case, pursuant to its policy of manufacturing threats against its perceived enemies. It used its manufactured charges to attack ARMSTRONG in Yanny, Aznaran and in the instant litigation, hereinafter Armstrong II. It used its manufactured charges to attack ARMSTRONG's Church and religion, and abuse him with foundationless depositions of himself, his lawyer Ford Greene

and his friend Lorien Phippeny in Yanny, designed to hurt ARMSTRONG financially, harass him and waste his time.

56. In August 1991 while in South Africa ARMSTRONG was informed by Stuart Cutler, Malcolm Nothling's lawyer that the ORG had provided ARMSTRONG's 1985 dream, which had been tricked from him by ORG operative Dan Sherman, to the ORG's South African legal representatives for use against ARMSTRONG in the Nothling litigation. This document had been specifically sealed in the Armstrong I case, and its dissemination in South Africa caused ARMSTRONG great embarrassment and emotional distress.

57. On August 12, 1991 the ORG filed a lawsuit against 17 agents of the IRS, case no. 91-4301-SVW in United States District Court, Central District of California for more than $120,000,000.00. The ORG used therein a false rendition of the 1984 illegal videotaping of ARMSTRONG, which videotape had been sealed in the Armstrong I court file. The ORG stated in its complaint:

> "The infiltration of the [ORG] was planned by the LA CID along with former [ORG] member Gerald Armstrong, who planned to seed [ORG] files with forged documents which the IRS could then seize in a raid. The CID actually planned to assist Armstrong in taking over the [ORG] hierarchy which would then turn over all [ORG] documents to the IRS for their investigation."

The ORG knew that these accusations were false, knew that ARMSTRONG knew they were false, knew that Judge Londer, presiding at the 1985 trial in the case of Julie Christofferson v. Scientology in Portland, Oregon, had ruled that the illegal videotapes of ARMSTRONG, which the ORG first "broke" in that case to destroy ARMSTRONG's credibility, contrary to the ORG's accusations were "damaging to the [ORG]," and knew that the Christofferson jury, which awarded plaintiff $39,000,000.00 in that case, when polled regarding the videotapes of ARMSTRONG stated that they proved, not that ARMSTRONG had done anything wrong but that Fair Game was alive and kicking in 1985. The ORG's continuing malicious and perverse use of the Armstrong Operation videotapes, in the face of immense official and public opinion that they simply demonstrate Fair Game, is a mad effort to pretend blindness to the truth and through the apparent blindness and recklessness to bring about ARMSTRONG's psychological disintegration.

58. Upon his return to the United States from South Africa Armstrong visited the law office of Ford Greene who asked for his help. Armstrong, who is a trained paralegal, and lived in the same Marin County town as Greene, agreed to help him, and has been working with him from that time until the present. The moment he began working in Greene's office the ORG began to terrorize him with constant surveillance by ORG intelligence operatives, illegally videotaped him, embarrassed him, caused disturbances in the neighborhood of Greene's law firm, and caused him to fear for his life. The ORG has a reputation of using its intelligence operatives or private investigators to assault its perceived enemies, frame them, entrap them, terrorize them, lie about them, and steal from them. ORG agents, including Hubbard's wife, Mary Jane Hubbard, have been convicted of crimes including burglary, theft, and obstruction of justice. Judge Breckenridge in

Armstrong I, had found that:

> "Defendant Armstrong was the subject of harassment, including being followed and surveilled by individuals who admitted employment by [the ORG]; being assaulted by one of these individuals; being struck bodily by a car driven by one of these individuals; having two attempts made by said individuals apparently to involve Defendant Armstrong in a freeway automobile accident; having said individuals come onto Defendant Armstrong's property, spy in his windows, create disturbances, and upset his neighbors."

The August 1991 terrorizing of ARMSTRONG by ORG operatives was intended to and caused ARMSTRONG unbelievable shock and emotional distress.

59. ARMSTRONG called and wrote to ORG lawyer Eric Lieberman on August 21 and 22, 1991 protesting the surveillance, videotaping and ORG terror tactics. Lieberman never responded, but the ORG responded with renewed attacks on ARMSTRONG, filing perjurious declarations about him in the Aznaran case accusing him of, inter alia, being in Greene's office (during the period when he had been in South Africa), of being employed by Joseph Yanny while working for Greene, and of being Yanny's extension in the Aznaran case. The ORG used these lies in a series of attempts to have the Aznaran case dismissed, and in further attempts to destroy ARMSTRONG's credibility and his capacity to defend himself from the ORG's attacks. The ORG also filed perjurious declarations in Aznaran concerning the illegal 1984 Armstrong operation, claiming, inter alia, that the operation was a police-

sanctioned investigation, that ARMSTRONG was plotting against the ORG and seeking out staff members who would be willing to assist him in overthrowing its leadership, and that ARMSTRONG's theory of litigation against the ORG was to fabricate the facts. These lies were used in a series of attempts to deny the Aznarans justice and to attack ARMSTRONG's credibility and leave him defenseless before the ORG's assault. The ORG moreover used in these attempts transcripts of the illegal 1984 videotaping of ARMSTRONG which had been sealed in the Armstrong I court file. The ORG knew its lies filed in the Aznaran case regarding ARMSTRONG were lies, knew if was using sealed documents to attack ARMSTRONG, knew that such caused ARMSTRONG great emotional distress, and knew that its acts in Armstrong I had caused him emotional distress for which it had paid ARMSTRONG a significant sum of money. The ORG's statements filed in Aznaran regarding ARMSTRONG were malicious and an abuse process. ARMSTRONG filed a declaration in Aznaran dated September 3, 1991 detailing the lies the ORG had up to that time filed about him in that case and stating the truth of the matters. On June 22, 1992, Judge Ideman, presiding in the Aznaran case denied all the ORG's motions in which it had filed its attacks on ARMSTRONG.

60. On October 3, 1991 the ORG, using CSC, CSI and RTC as Plaintiffs, filed a motion in Los Angeles Superior Court in the Armstrong I case to enforce the settlement agreement in which it charged that ARMSTRONG's declaration in Aznaran which rebutted the ORG's lies filed about him in that case was a violation of the settlement agreement. That motion, in which the ORG sought from ARMSTRONG $100,000.00 in damages for his responses to ORG attacks, was denied on December 23, 1991 by Judge Geernaert, who stated

during the hearing of that date:

> " So my belief is Judge Breckenridge, being a very careful judge, follows about the same practice and if he had been presented that whole agreement and if he had been asked to order its performance, he would have dug his feet in because that is one of the [ ] most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay the case is not settled.
>
> I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest."

61. Heedless of Judge Geernaert's comments the ORG on February 4, 1992 filed the underlying lawsuit, hereinafter Armstrong II, this time seeking $1,700,000.00 in damages. On March 26, 1992 the ORG sought to have ARMSTRONG held in contempt of court for communicating to the media about the litigation after the ORG had itself given an interview to the media and in response to the ORG's public comments about him. Judge Dufficy of the Marin Superior Court, then presiding over the Armstrong II litigation, refused to hear the ORG's effort to have ARMSTRONG found in contempt. The effort, however, demonstrates the ORG's intention: create a scenario in which ARMSTRONG responds to ORG attacks and then have him jailed for his response. Then, pursuant to ORG policy, destroy him utterly.

62. On February 19, 1992 Ford Greene, ARMSTRONG's

attorney in Armstrong II, wrote ORG attorney Laurie Bartilson requesting that ARMSTRONG's former attorneys in Armstrong I, Michael Flynn, Julia Dragojevic and Bruce Bunch, each of whom were specifically prohibited by contract with the ORG from giving ARMSTRONG a declaration to assist him in his defense of the ORG's lawsuit to enforce the settlement agreement, be released from that prohibition so they could provide him with needed declarations. The ORG refused. On February 24, 1992 Greene wrote Bartilson requesting that the other individuals who had entered into settlement agreements with the ORG, negotiated by the ORG with Flynn in 1986, and who were specifically prohibited from providing ARMSTRONG with a declaration to assist him in his defense of the ORG's lawsuit to enforce the settlement agreement, be released from that prohibition so they could provide him with needed declarations. Even though the ORG had used the fact of the other individuals' settlement agreements being substantially similar to the ARMSTRONG agreement, and cited to and relied on cases involving those individuals' settlements in its lawsuit against ARMSTRONG, the ORG refused to release them from their contract not to assist ARMSTRONG. Instead of acting professionally, decently and humanely, ORG lawyer Bartilson's response was an ad hominem attack on Greene, ARMSTRONG's lawyer. The unfairness of this act of Fair Game caused ARMSTRONG a great despondency.

63. On May 27, 1992 at a hearing on a motion the ORG brought to obtain a preliminary injunction in this case, Los Angeles Superior Court Judge Sohigian stated:

> "The information that's being suppressed in this case, however, is information about extremely blameworthy

> behavior of the [ORG] which nobody owns; it is information having to do with the behavior of a high degree of offensiveness and behavior which is tortious in the extreme. It involved abusing people who are weak. It involves taking advantageous of people who for one reason or another get themselves enmeshed in this extremist view in a way that makes them unable to resist it apparently. There appears to be in the history of [the ORG's] behavior a very, very substantial deviation between [the ORG's] conduct and standards of ordinary, courteous conduct and standards of ordinary honest behavior. They're just way off in a different firmament. [The ORG's] is the kind of behavior which makes you sort of be sure you cut the deck and be sure you've counted all the cards. If you're having a friendly poker game you'd make sure to count all the chips before you dealt any cards."

Despite this scathing indictment of the ORG and its practices, and despite the ORG's knowledge of similar rulings and judgments in Armstrong I, the case of Wollersheim v. Scientology, the case of Allard v. Scientology, the case in England Re B & G Wards, the cases of US v. Hubbard and US v. Kember, and of the blistering articles in the Los Angeles Times in 1990 and Time magzine in 1991, the ORG has not changed one of its spots, but continues to attack ARMSTRONG and its other perceived enemies pursuant to its basic doctrine of Fair Game. The ORG's refusal to change its suppressive and vicious posture toward ARMSTRONG in the face of the massive evidence of its socially repugnant nature is to

ARMSTRONG terrifying and immobilizing. Judge Sohigian denied the ORG's motion to enforce the settlement agreement in every aspect except for his right to provide testimony in anti-ORG litigation without being first subpoenaed to provide such testimony. The Sohigian ruling left ARMSTRONG free to speak and write freely about the ORG, to provide information to government agencies without the need for a subpoena and to continue to work as a paralegal.

64. Nevertheless, the ORG has over the past several months and continuing after the Sohigian ruling to the present, mounted a campaign to have ARMSTRONG removed from Greene's office, thus denying him a job and the means of defending himself against ORG attacks. ORG lawyers have made threats against him and have attempted to inveigle him into performing actions they could then use to attack him and achieve their goal of his removal from the Greene firm.

65. Within the past week ORG private investigator Eugene Ingram harassed ARMSTRONG's friend Lorien Phippeny at her home. The ORG knows that Ingram is a bully and dishonest, yet sent him to intimidate and upset Phippeny as part of its campaign of Fair Game against ARMSTRONG.

66. Within the past few months ARMSTRONG has learned that MISCAVIGE possessed ARMSTRONG's original artwork and manuscript after they were stolen from ARMSTRONG's car in 1984. MISCAVIGE told Vicki Aznaran that he had ARMSTRONG's artwork and manuscript, and he described ARMSTRONG's works as weird poetry and letters to Hubbard. ORG lawyer John Peterson in 1984, in response to ARMSTRONG's demand at that time for return of his works denied

that the ORG possessed them. Now ARMSTRONG has the proof and he demands these works' return.

67. The ORG has, for over a decade, waged a campaign of hatred and psychological violence against ARMSTRONG. This campaign has been observed and condemned by courts and the media. The ORG has used ARMSTRONG as a villain to keep its members marching to its hateful tune, spreading lies about him to ORG employees and customers internationally. In 1986 as an act of calculating Fair Game it used ARMSTRONG's lawyer, himself a long time target of Fair Game, to manipulate him into a settlement of his claims against the ORG which was intended to leave him lawyerless and defenseless so that the ORG's Fair Game efforts against him could continue unopposed. In consummate cynicism the ORG claims its purpose in the settlement was to make peace. The ORG's acts against ARMSTRONG have affected every aspect of his life, taken from him the peace and seclusion he sought and threatened his health, livelihood, friendships and his very existence. These acts must stop.

FIRST CAUSE OF ACTION

(For Declaratory Relief Against All Defendants)

68. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

69. An actual controversy has arisen and now exists between ARMSTRONG and CSI concerning their respective rights and duties in that ARMSTRONG contends that the only provisions of the settlement agreement that have any legal force any effect were those whereby he dismissed his cross-complaint in Armstrong I in consideration

for a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement are void as against public policy and should be severed therefrom, and that CSI and its agents are not entitled to breach the settlement agreement while requiring ARMSTRONG to adhere thereto, whereas CSI disputes this contention and contends that it is entitled to enforce all provisions of the settlement agreement against ARMSTRONG notwithstanding the lack of mutuality thereof.

70. ARMSTRONG desires a judicial determination of his rights and duties, and a declaration that the only provisions of the settlement agreement which are valid are those which directly pertain to the dismissal of his cross-complaint in Armstrong I in consideration for the payment of a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement should be severed and held not to be legally enforceable because they were designed to suppress evidence and obstruct justice.

71. A judicial declaration is necessary and appropriate at this time under the circumstances in order that ARMSTRONG may ascertain his rights and duties under the settlement agreement.

72. ARMSTRONG is being harmed by the settlement agreement insofar as his First Amendment Rights are curtailed, his ability to freely pursue gainful employment is restricted, and his reputation is being attacked in judicial proceedings which he is unable to counter without risking violation of the settlement agreement.

WHEREFORE, cross-complainant seeks relief as is hereinafter pleaded.

SECOND CAUSE OF ACTION

(For Abuse Of Process Against All Defendants)

73. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

74. Defendants, and each of them, have abused the process of this court in a wrongful manner, not proper in the regular conduct of the proceedings in Armstrong I and in Armstrong II, and in other litigation, to accomplish a purpose for which said proceedings were not designed, specifically, the suppression of evidence, the obstruction of justice, the assassination of cross-complainant's reputation, and retaliation against said cross-complainant for prevailing at trial in Armstrong I, all so as to be able to attack cross-complainant and prevent cross-complainant from being able to take any effective action to protect himself.

75. Defendants, and each of them, acted with an ulterior motive to suppress evidence, obstruct justice, assassinate cross-complainant's reputation, and to retaliate against cross-complainant in said litigations.

76. That defendants, and each of them, have committed willful acts of intimidation, threats, and submission of false and confidential documents not authorized by the process of litigation, and not proper in the regular conduct of litigation.

77. Cross-complainant has suffered damage, loss and harm, including but not limited to his reputation, his emotional tranquillity, and privacy.

78. That said damage, loss and harm was the proximate and legal result of the use of such legal process.

legal result of the use of such legal process.

WHEREFORE, cross-complainant seeks relief as is hereinafter pleaded.

THIRD CAUSE OF ACTION

(Breach of Contract)

79. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

80. CSI, and/or its agents, and/or other Scientology-related entities having engaged in on-going breaches of said settlement agreement by making reference to ARMSTRONG (a) in communications to the press, (b) in filing pleadings and declarations in various litigations.

81. By reason of said breaches of the settlement agreement, ARMSTRONG has been damaged in an amount not presently known but believed to be in excess of the jurisdiction minimum of this Court.

WHEREFORE, plaintiff prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION

1. For a declaration paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement should be severed from the settlement agreement and found to be of no legal force or effect.

2. For damages according to proof.

3. For attorney's fees and costs of suit.

ON THE SECOND CAUSE OF ACTION

1. For general and compensatory damages according to proof.

2. For punitive damages according to proof.

3. For attorney's fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorney's fees and costs of suit.

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

Respectfully submitted,

DATED: July 21, 1992

HUB LAW OFFICES

By: ____________________
FORD GREENE
Attorney for Defendant

VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Cross-complaint for declaratory relief, abuse of process and breach of contract. I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on this 21st day of July at San Anselmo, California.

By: G. Arm
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: CROSS-COMPLAINT FOR DECLARATORY RELIEF, ABUSE OF PROCESS AND BREACH OF CONTRACT

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

Graham E. Berry, Esquire
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: July 22, 1992

Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272
(213) 459-4745

Attorneys for Defendant
GERALD ARMSTRONG

FILED
NOV 16 1994
HOWARD HANS
MARIN COUNTY

FILED
LOS ANGELES SUPERIOR COURT
OCT - 8 1997
JAMES [illegible], CLERK
M. Briseño
BY M. BRISENO, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	157680 No. BC 052395 **AMENDED ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT**

Defendant Gerald Armstrong, hereinafter "Armstrong," and The Gerald Armstrong Corporation, hereinafter "TGAC," defendants, hereby jointly submit the following amended answer to the amended complaint of plaintiff, CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI." Although the following Answer may be framed in the singular, it shall be interpreted to refer to both answering defendants unless the referred to event took place before July

ORIGINAL

1987, in which event said allegation shall apply to Gerald Armstrong as an individual only because prior to said date TGAC did not exist.

1. Armstrong admits there was a settlement agreement entered into in December, 1986, but denies each and every allegation of the rest of this paragraph. Armstrong's only actions have been those necessitated by the violations by the Scientology organization, including CSI, hereinafter the "ORG," of the express terms and spirit of the settlement agreement. It is the ORG which has embarked on a deliberate campaign to breach the provisions of the agreement, and foment litigation, hatred and ill-will against ARMSTRONG.

2. Armstrong admits that he entered into a settlement agreement with the ORG in December 1986 of his cross-complaint in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420 153 hereinafter Armstrong I. Armstrong denies that the agreement was for the benefit of numerous third-parties; he asserts that the agreement is to constitute a fraud on courts, nationally and internationally, and upon the public of the World. Armstrong denies that the description of the ORG as a church is true. Armstrong denies CSI's description of him. It is the ORG which sought by litigation and covert means to disrupt Armstrong's activities and life, and which displayed through the years an intense and abiding hatred for Armstrong, and an eagerness to annoy and harass Armstrong by spreading enmity and hatred about him among its employees, customers, victims, in the media, the courts and the world. Armstrong denies that the ORG sought to end Armstrong's covert

activities, because there were no such covert activities, nor to end the litigation. Armstrong denies that the agreement contained carefully negotiated and agreed-upon provisions. Armstrong was not included in one word of the negotiations, which were engineered by the ORG through the compromise of Armstrong's attorney. Armstrong never agreed to the conditions, but did agree with the representations of his attorney that the conditions were unenforceable. Armstrong denies that the ORG bargained for the settlement provisions to put an end to enmity and strife generated by Armstrong because Armstrong generated no such enmity and strife.

3. Armstrong denies that this action arises from his deliberate and repeated breaches of provisions of the agreement. Armstrong denies moreover that he can violate the agreement because its provisions are contrary to public policy and illegal. Armstrong denies that the ORG fully performed its obligations under the agreement; rather, it violated both the letter and spirit from the date of its signing. Armstrong denies that he never intended to keep his part of the bargain. Armstrong admits that, based on the representations of his lawyer that the referenced provisions were unenforceable and that the ORG lawyers also knew they were unenforceable, he also considered said provisions unenforceable. Armstrong denies that he ever extracted money from the ORG. Armstrong denies that in June 1991 he had finished spending his money. In August 1990 Armstrong had given away all his assets for reasons unrelated to the ORG, except that he evaluated that because the ORG committed so much harm with its billions of dollars there was no reason not to give his money

away, and that it was better to combat the ORG's tyranny without money than not to combat it with wheelbarrow loads of it. Armstrong denies that in June, 1991 he began any campaign, provided any confidential information to anyone, copies of any agreement, declarations, and paralegal assistance to any litigants. Armstrong denies that the ORG repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the agreement. There has never been a constant and repeated breach of the provisions of the agreement by Armstrong, nor has there ever been a repeated demand from the ORG.

4. Armstrong denies that the ORG bargained for peace. Armstrong admits that the ORG requests liquidated damages, but denies that the ORG is due such damages pursuant to the terms of the agreement, and states that said liquidated damages are invalid. By its acts in violation of the agreement the ORG has sacrificed its right to any relief, including damages. It is Armstrong who is due liquidated damages. Armstrong denies that the ORG requests injunctive relief to prevent additional and future breaches by Armstrong. There have been no breaches by Armstrong and there can be no future breaches by Armstrong because of the ORG's violations of the agreement and because the agreement itself is contrary to public policy and illegal.

5. Armstrong denies CSI's description of itself. Armstrong admits that CSI is incorporated under the laws of the State of California and has its principal offices in Los Angeles. Armstrong denies that Scientology is a religion. Scientology employs a self-ascribed religious status so as to exploit the extraordinary benefits conferred by the religious liberty clauses

of the First Amendment to the United States Constitution.

6. Armstrong admits that he is a resident of Marin County, California.

7. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

8. Armstrong admits the truth of the averments in this paragraph.

9. Armstrong admits that the agreement was entered into with the participation of respective counsel, but denies that it was after full negotiation. Armstrong denies that the provisions of the agreement were carefully framed by the parties and their counsel to accurately reflect the agreement of the parties. Armstrong only participated in the framing of one provision in the agreement, the one allowing him to keep his art. Armstrong was, in fact, carefully kept in the dark concerning the settlement provisions by the ORG and his counsel. The provisions, moreover, do not contain the actual agreement of the parties concerning their unenforceability. Nor do they contain the agreement whereby the ORG contracted with Armstrong's lawyer to not represent him in future litigation regarding the agreement. And they do not contain the agreement whereby Armstrong's lawyer would assist the ORG in allowing it to attack Armstrong without his response, nor the side indemnity agreement and other agreements with Armstrong's lawyer for a collusive appeal and rigged retrial of the underlying action. The purpose of the agreement was to engineer a reversal of Judge Breckenridge's 1984 decision holding for Armstrong on Scientology's complaint against Armstrong in Armstrong I.

10. Armstrong denies the totality of this paragraph. There never was a series of covert activities by Armstrong intended to discredit ORG leaders, spark government raids, create phony "evidence" of wrongdoing against the ORG and ultimately destroy the ORG and its leadership.

11. Armstrong admits that when asked by ORG lawyer Lawrence Heller during the videotaped signing of the settlement agreement if he was acting of his own free will he said he was. Armstrong was, however, under great duress resulting from years of ORG abuse, threats and attacks, his manipulation by the ORG through his attorney as a deal-breaker during the settlement, and his knowledge of ORG policies of hatred and vindictiveness. Armstrong denies that in later 1991 he revealed for the first time that he believed at the time the agreement was signed the provisions were unenforceable. Armstrong put his opinion of the provisions' unenforceability in his declaration dated March 15, 1990, which the ORG received within a week of that date. Moreover, Armstrong's lawyer, Michael Flynn, advised Armstrong that he had advised the ORG in December 1986, before the agreement was signed that the provisions were unenforceable.

12. Armstrong does not answer these allegations of this paragraph inasmuch as they have been stricken by court order.

13. Armstrong admits the averments of this paragraph.

14. Armstrong admits the averments of this paragraph.

15. Armstrong admits the averments of this paragraph.

16. Armstrong denies each and every averment of this paragraph.

17. In answering the averments contained in this paragraph

wherein CSI adopts by reference paragraphs 1 through 16 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

18. Armstrong admits the averments of this paragraph, but denies that the Aznarans were Scientology parishioners; they were Scientology victims. Scientology is not a religion.

19. Armstrong admits the averments of this paragraph.

20. Armstrong admits that while Yanny was acting as the Aznarans' counsel he asked Armstrong to help him, but denies that Yanny hired him as paralegal to work on the Aznaran case.

21. Armstrong admits that he agreed to travel to Los Angeles from Marin Country but denies that he asked Yanny to pay him $500.00 for his proposed help.

22. Armstrong admits the averments of this paragraph except that he denies that he provided "paralegal assistance." Armstrong did assist in drafting two evidentiary declarations, which he personally executed as a witness.

23. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

24. Armstrong denies each and every averment of this paragraph.

25. Armstrong denies each and every averment of this paragraph. Whatever assistance Armstrong gave Yanny in the Aznaran litigation caused the ORG no damage, but assisted it in its publicly stated goal of peace.

26. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16 and 18 through 25 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

27. Armstrong admits the averments of this paragraph except that he denies that Yanny indicated to CSI's counsel that he represented Armstrong, and Armstrong denies that there exists any order of injunction prohibiting Yanny from representing Armstrong in any manner whatsoever in any matters relating to anyone.

28. Armstrong lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph and is therefore unable to admit or deny the same.

29. Armstrong denies each and every averment of this paragraph. Armstrong adds, moreover, that if, as the ORG alleges, the Court in RTC v. Yanny rejected Yanny's defense which was supported by Armstrong's declarations, Armstrong could not with those declarations have aided Yanny.

30. Armstrong admits that he attached the settlement agreement to his July 16, 1991 declaration as an exhibit, but denies that he had agreed to keep the terms of the agreement confidential. Armstrong was under duress when signing the agreement and did not ever agree with the unenforceable conditions of the agreement including confidentiality regarding the agreement itself. Nevertheless, he did not discuss the agreement until after it was made public by the California Court of Appeal. Armstrong filed the agreement under seal in the Court of Appeal in

February, 1990 in order to prevent a fraud upon the Court being perpetrated by the ORG, and it was the Court of Appeal which sua sponte unsealed the agreement. But prior to filing the agreement in the Court of Appeal, Armstrong had already been relieved of any conceivable obligation to keep the agreement confidential by the ORG's divulging of its contents in other litigations, and therefore waiving any right to have it remain confidential thereafter.

31. Armstrong admits that he has never paid the ORG $50,000, but denies that the ORG has ever demanded payment of $50,000, denies that he owes $50,000 to the ORG for anything and denies that whatever he has done at any time was a breach of the agreement. The agreement is illegal and against public policy and the ORG has by its own acts sacrificed any right it ever may have had to enforce any of its provisions.

32. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25 and 27 through 31 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

33. Armstrong admits the averments of this paragraph.

34. Armstrong admits that in August 1991 he began working in Ford Greene's office and that his paralegal duties at that time involved work on the Aznaran case. Armstrong denies that thereafter the Aznarans hired John Elstead. Armstrong admits that his employment in Greene's office has continued to the present, but he denies that his activities constitute a daily and

continuing breach of any contract. The ORG's bargain has been rendered a nullity, because it is the ORG which has, through its attacks on Armstrong, its overweening reliance on Fair Game and similar antisocial policies, and its attempt to force upon the world an agreement illegal in the first place, done it to itself.

35. Armstrong denies each and every averment of this paragraph.

36. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31 and 33 through 35 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

37. Armstrong admits the averments of this paragraph except that he denies that any of his actions are violations of the agreement and that he is required to pay the ORG one penny in liquidated damages.

38. Armstrong admits that he has not paid the ORG $50,000, but denies that the ORG ever made a demand for $50,000 and denies that whatever he has done is a breach of the agreement.

39. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35 and 37 and 38 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

40. Armstrong admits the averments of this paragraph except

that he denies that the press release violated the agreement and that the press release constituted disclosures of his experiences with Scientology. Statements containing the same facts and similar language are contained in the public file in this case in which the ORG has sued Armstrong; therefore there is in the press release no disclosure. Moreover, the ORG, by itself using Armstrong's experiences in its litigations and to attack Armstrong after the settlement lost any right it may have once had to complain of Armstrong's discussing his experiences to counter its attacks. The agreement's confidentiality provisions are antithetical to civilized conduct, impossible to perform, contrary to public policy and illegal.

41. Armstrong admits the averments of this paragraph except that he denies that the distribution of the press release violated the provisions of the agreement. By suing Armstrong publicly, by attacking him publicly and by making public itself the conditions of the agreement, including filing the agreement in open court, the ORG waived any right it may have once had to object to Armstrong's public discussion of the litigation or the agreement it concerned. The agreement, moreover, is illegal; therefore it is unenforceable and Armstrong is not bound by any part of it.

42. Armstrong denies each and every averment of this paragraph.

43. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38 and 40 through 42 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred

with respect to those specific paragraphs as previously set forth in this answer.

44. Armstrong admits that on March 20, 1992 he and Greene granted the media interviews, but denies that such interviews were additional. Armstrong denies that any such interviews violated any part of the agreement. Armstrong admits that he stated that he is an expert in the misrepresentations Hubbard made about himself from the beginning of Dianetics until the day he died. Armstrong admits that he is such an expert. Armstrong lacks the information and knowledge sufficient to form a belief as to the truth of the averment in this paragraph that Exhibit C to the ORG's complaint is a true and correct transcription of the CNN broadcast and is therefore unable to admit or deny the same.

45. Armstrong denies each and every averment of this paragraph.

46. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42 and 44 and 45 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

47. Armstrong admits that he agreed to appear voluntarily as an expert witness in the Hunziker case. He denies that his expertise is alleged and denies that his expertise is such that it should be set off in the ORG's complaint in quotation marks. He denies that his expertise is in Scientology, but rather in the fraud of Scientology and the ORG's doctrine of Fair Game.

Armstrong admits that the World Institute of Scientology Enterprises, Inc. is named as a defendant in the Hunziker case, admits that it is an ORG dominated entity, but denies that it, nor any other ORG entity, is protected by the agreement.

48. Armstrong admits that he met with Rummonds and Elstead, attorneys for plaintiffs in the Hunziker case, but denies that he discussed his experiences with any entities protected by the agreement. Armstrong denies that any entities are protected by the agreement because it is unenforceable on its face and, moreover, has been rendered void by the ORG's post-settlement attacks on Armstrong and its illegal efforts at enforcement. Armstrong admits that he agreed to appear for plaintiffs as an expert on the aspects of Scientology practices and beliefs of fraud and Fair Game.

49. Armstrong admits the averments of this paragraph except that he denies that he testified at length concerning CSI or any other ORG affiliated entities and individuals protected by the agreement, because no entities or individuals are protected by the agreement due to the ORG's acts to contravene it.

50. Armstrong admits that he produced documents during his March 3, 1992 deposition but denies that there are any documents referred to in paragraph 46 of the ORG's complaint. Armstrong denies moreover that any documents he produced at the deposition were in violation of any agreement.

51. Armstrong admits that he appeared for a deposition on or about March 12, 1992 in the Hunziker case. He denies that he claimed he had been given a subpoena not by the deposing attorney. Armstrong admits that he said he had been given a deposition

subpoena by attorney Elstead and that Elstead had filled out the subpoena that morning. Armstrong admits that he refused to produce the subpoena, but lacks the information or knowledge to admit or deny the averment that it was not served on any of the parties to the case. Armstrong admits that he delivered documents to Elstead on or about March 8, 1992 and requested that he be served with a subpoena, but denies that his delivery of documents was in violation of the agreement.

52. Armstrong lacks the information or knowledge sufficient to form a belief as to what the ORG learned in April 1992 so as to that averment he cannot either admit or deny this allegation. Armstrong does deny that he reacquired any documents which he had previously returned to the ORG. And he denies that he produced any such documents either to Elstead or to opposing counsel at any time.

53. Armstrong denies each and every averment of this paragraph.

54. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45 and 47 through 52 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

55. Armstrong denies each and every averment of this paragraph except that he did testify on or about April 7, 1992 in the Yanny case. The ORG compelled Armstrong to testify on that date in that case. The ORG filed the agreement publicly months

before this deposition, and the ORG had forced Armstrong to file the agreement in the Court of Appeal, which sua sponte, unsealed it, because of the ORG's efforts to make him a party to its subversion of the justice system. The ORG, moreover, divulged the contents of the agreement at least as early as 1989, thus giving up any right it may have had to keep it confidential.

56. Armstrong denies each and every averment of this paragraph.

57. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52 and 55 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

58. Armstrong denies each and every averment of this paragraph.

59. Armstrong admits that he gave a declaration in the Aznaran litigation on August 26, 1991, but denies that his action was a violation of any provision of the agreement.

60. Armstrong admits that his declaration attached as exhibits the two documents referred to in paragraph 58 of the ORG's complaint, but denies that said attachment was in breach of any provisions of the agreement.

61. Armstrong denies each and every averment of this paragraph.

62. Armstrong denies each and every averment of this paragraph.

63. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55 and 58 through 60 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

64. Armstrong lacks the information or knowledge sufficient to form a belief as to what the ORG learned in March 1992 so as to that averment he cannot either admit or deny.

65. Armstrong denies each and every averment of this paragraph.

66. Armstrong denies each and every averment of this paragraph. He denies moreover that his giving voluntary assistance to anyone not only does not harm the ORG but assists the ORG, and that such voluntary assistance to anyone cannot be proscribed by any agreement, and that any agreement which attempts to proscribe voluntary assistance is against public policy, violative of the Constitutional right to freedom of speech, association, press and religion, and is unenforceable.

67. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60 and 64 and 65 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

68. Armstrong admits the averments of this paragraph, but denies that ORG entities CSI, CSC and RTC are protected by the agreement, because they cannot be protected legally by an illegal contract and they have acted themselves to vitiate and waive whatever protection they might at one time have had, if any.

69. Armstrong admits that in his May 27, 1992 declaration he did authenticate another declaration he had executed earlier. Armstrong lacks the information or knowledge sufficient to form a belief as to whether the transcript had at one time been ordered sealed in the earlier action between him and the ORG, so as to that averment he cannot either admit or deny. The transcript, however, has been a public document since 1982, and the tape recordings from which the transcript had originated have been found by the 9th Circuit Court of Appeals to contain evidence of criminal fraud and were released to the Criminal Investigation Division of the IRS. Armstrong denies that any of his acts are violations of any paragraphs of the agreement and denies that he is required to pay one cent to CSI.

70. Armstrong denies each and every averment of this paragraph.

71. In answering the averments contained in this paragraph wherein CSI adopts by reference paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65 and 68 and 69 of its averments, Armstrong admits, denies and avers to the same effect and in the same manner as he admitted, denied and averred with respect to those specific paragraphs as previously set forth in this answer.

72. Armstrong denies each and every averment of this paragraph.

73. Armstrong denies each and every averment of this paragraph.

74. Armstrong denies each and every averment of this paragraph.

75. Armstrong denies each and every averment of this paragraph.

AFFIRMATIVE DEFENSES

Allegation Common To All Affirmative Defenses

76. Plaintiff is a single component of the Scientology Organization ("ORG") that, along with all of the Scientology-related beneficiaries of the settlement are subject to a unity of control exercised by David Miscavige. Plaintiff and all other Scientology-related organizations, entities and individuals were created by David Miscavige and his attorneys as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for the civil and criminal misconduct of Miscavige and all other Scientology-related organizations, entities and individuals. Due to the unity of personnel, commingling of assets, and commonality of business objectives, any effort by plaintiff to separate itself as being independent and separate should be disregarded.

FIRST AFFIRMATIVE DEFENSE

(Failure To State A Cause Of Action)

77. Further answering said first amended complaint, and as a first, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein

each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69 and 72 through 75 herein and allege as follows:

The complaint and each cause of action contained herein fails to state a cause of action against these defendants upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(This Court Cannot Enjoin The Practice Of A Profession)

78. Further answering said first amended complaint, and as a second, separate and affirmative defense thereto, these answering defendants allege as follows:

Any attempt by plaintiff to limit the ability to obtain gainful employment by these answering defendants, or any of them, is void and unenforceable as a matter of public policy, and constitutes an unenforceable restraint on the right of defendants, or any of them, to pursue their chosen profession.

THIRD AFFIRMATIVE DEFENSE

(Unclean Hands)

79. Further answering said first amended complaint, and as a third, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 77, 78, and 80 through 88 herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants and/or obtaining the equitable relief requested herein under the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

(In Pari Delicto)

80. Further answering said first amended complaint, and as a fourth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 77 through 79, and 81 through 88, herein and allege as follows:

Notwithstanding the things alleged of defendants in the complaint, which are denied in the applicable paragraphs herein, plaintiffs' and its counsels' conduct in connection with the events giving rise to this action bars plaintiff from recovery with regard to the complaint under the doctrine of in pari delicto.

FIFTH AFFIRMATIVE DEFENSE

(Illegality)

81. Further answering said first amended complaint, and as a fifth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 77 through 80, and 82 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action as a result of its acts of illegality in connection with matters that give rise to this case. Particularly plaintiff and other Scientology-related entities engaged in a wholesale attempt to obstruct justice, suppress evidence in order to deny redress, due process, and equal protection of the law to its civil and criminal victims by means of obtaining settlements of litigation in actions in various state and federal courts across the United States. In each of those actions attorney Michael J. Flynn was attorney of record, or coordinating counsel for litigants adverse to Scientology. In each of those actions litigants adverse to Scientology were coerced into signing secret settlement agreements the terms of which were substantially similar to those set forth in the settlement agreement at issue herein.

Plaintiff is further barred from bringing this action because as a material part of entering the settlement agreement with defendant, plaintiff required defendant's counsel, Michael Flynn, to sign secret side agreements for indemnification for resolution of the retrial of Armstrong I were plaintiff and other Scientology-related entities successful in obtaining reversal of Judge Breckenridge's decision on appeal. In such agreement Scientology promised to limit its collections of damages to $25,001.00 and to indemnify Flynn for the payment thereof and Flynn, in turn, would indemnify Armstrong for any such judgment. The existence of these secret, side agreements were never disclosed to Armstrong by Flynn, plaintiff, or other Scientology-related entities.

Plaintiff is further barred from bringing this action because as a material part of entering said settlement agreements, it or its agents required attorney Flynn to promise never to take any anti-Scientology cases in the future. Thereafter, although Flynn has refused to provide any declarations for defendant Armstrong, he has been willing to provide documentary assistance to Scientology.

Plaintiff is further barred from bringing this action as a result of its acts of illegality in connection with the commission of acts giving rise to the action entitled Aznaran v. Church of Scientology of California, Case No C88-1786 JMI (Ex) in the United States District Court for the Central District of California (the "Aznaran case"); conduct by plaintiff, its counsel and others, including but not limited to the making of certain settlement proposals to Barry Van Sickle, Esq., for direct communication to Vicki and Richard Aznaran ("the Aznarans") knowing that Van Sickle had been disqualified from representing the Aznarans, and knowing that the Aznarans at the time were represented by Ford Greene and participating in conduct which resulted in the Aznarans (in hopes of facilitating settlement and in accordance with plaintiff's conditions) dismissing their counsel, Ford Greene, whereupon while the Aznarans were in pro per, plaintiff withdrew any offer of settlement and commenced loading up the record with voluminous, sophisticated and dispositive motions, including but not limited to two for summary judgment. In consequence thereof defendant Armstrong only provided aid and assistance to counsel whom the Aznarans subsequently employed for the purpose of preserving their rights to redress, due process and equal protection of the law.

Furthermore, other acts of illegality by plaintiff and other

Scientology-related entities have been publicly documented. Plaintiffs have engaged in acts of impropriety, as set forth above, and including what the District Court in the Aznaran case referred to in a written order, entered after most of the events in issue herein, as "outrageous litigation tactics." Also, in addition to the Flynn settlement agreements the conduct of plaintiff and other Scientology-related organizations, entities and individuals against persons "adverse to Scientology" including citizens, counsel, judges and government authorities (including but not limited to illegal surveillance, obtaining telephone company records, breaking and entering, threatening conduct, and violence) have discouraged and intimidated knowledgeable persons from disclosing their knowledge about, or otherwise coming forward against, the illegal activities of plaintiff and other Scientology-related organizations, entities and individuals, and from assisting victims thereof to obtain redress, due process and equal protection of the law.

SIXTH AFFIRMATIVE DEFENSE

(Fraud and Deceit)

82. Further answering said first amended complaint, and as a sixth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, and 81 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because of its fraud and deceit in representing to defendants, and each of them, that its management had changed and no longer would engage in illegal activities, that it wanted to buy peace, that it would leave defendants, and each of them alone, and that the false affidavit that it required Armstrong to sign as a condition of the settlement would be disclosed only if Armstrong attacked the ORG. Plaintiff made the foregoing representations to defendants, and each of them, with knowledge of the falsity thereof at the time said representations were made and with the intent to deceive defendants, and each of them, who actually and justifiably relied on those material misrepresentations to their injury by signing the settlement agreement. In fact, plaintiff and other Scientology-related organizations, entities and individuals never intended to cease their illegal and immoral activities, never intended to buy peace with defendants, and each of them, never intended to leave Armstrong alone, never intended not to use the false declaration only if Armstrong attacked the ORG, and never intended to abide by the terms of the settlement agreement. Rather plaintiff and other Scientology-related entities intended to use the settlement agreement as a tool for the implementation of the Fair Game Policy and Scientology's litigation tactics so as to engineer a reversal of Judge Breckenridge's decision in Armstrong I, to collusively resolve any re-trial of Armstrong I, to obtain possession of the so-called MCCS tapes which were evidence of Scientology employing attorneys for the purpose of committing future crimes and frauds, to use the false declaration in other litigation without regard to Armstrong's conduct, and to otherwise obstruct justice and suppress evidence of facts which discredited plaintiff and other

Scientology-related entities.

Said Fair Game Policy states that any enemy of Scientology

> "[m]ay be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Scientology's litigation strategy is as follows:

> "The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway, well knowing that he is not authorized, will generally be sufficient to cause his professional decease. If possible, of course, ruin him utterly."

From the outset, prior to the execution of the settlement agreement with defendant, and the execution of all other Flynn settlement agreements, it was the intent of plaintiff and other Scientology-related organizations, entities and individuals to continue to wage war on and harass Armstrong, to continue to engage in illegal activities and conduct, and to suppress evidence and obstruct justice by means of said agreements and to use said agreements as a tool of Fair Game and the litigation strategy of ruin in order to ensure that information regarding Scientology's crimes and civil misconduct would stay suppressed, and its criminal and civil victims would be denied legal redress and justice.

Moreover, Flynn advised Armstrong that he would always be available in the future to represent Armstrong if Armstrong had to litigate with the ORG in the future. Said statement was false and misleading because Flynn had signed an agreement with the ORG promising not to represent anti-ORG litigants in the future. Armstrong relied on the truth of Flynn's statement in signing the settlement agreement.

SEVENTH AFFIRMATIVE DEFENSE

(Estoppel)

83. Further answering said first amended complaint, and as a seventh, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82 and 84 through 88, herein and allege as follows:

Plaintiff is equitably estopped from asserting each and all of the purported causes of action in the complaint by reason of its own acts, omissions, and conduct, or that of its agents, including, but not limited to the fact that it violated the settlement agreement in that it or its agents provided information from Armstrong I that was the subject of the settlement agreement to various persons and in various litigation including but not limited to The London Sunday Times, The Los Angeles Times, the instant litigation, the Corydon litigation, and in Church of Scientology of California v. Russell Miller and Penguin Books Limited in the High Court of Justice, Case No. 6140 in London, England, where a Scientology-related entity filed multiple affidavits attacking defendant Armstrong.

As yet a further basis for barring plaintiff on the ground of estoppel, defendant has requested plaintiff and other Scientology-related entities to release Flynn and his other former attorneys from the agreements they signed never to represent Armstrong again, and plaintiff and said entities have refused to do so.

EIGHTH AFFIRMATIVE DEFENSE

(Waiver)

84. Further answering said first amended complaint, and as an eighth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81, 82, and 83, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, by reason of their own acts, omissions and conduct, or that of its agents.

NINTH AFFIRMATIVE DEFENSE

(Mistake Of Law)

85. Further answering said first amended complaint, and as a ninth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 84, and 86 through 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, advised said defendant that the provisions of the settlement agreement that plaintiff is seeking to enforce herein were not in any way enforceable. Armstrong relied on such representations, but for which he would not have signed said settlement agreement.

TENTH AFFIRMATIVE DEFENSE

(Mistake Of Fact)

86. Further answering said first amended complaint, and as a tenth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 85, 87, and 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, advised said defendant that the provisions of the settlement agreement that plaintiff is seeking to enforce herein were not in any way enforceable. Armstrong relied on such representations, but for which he would not have signed said settlement agreement.

ELEVENTH AFFIRMATIVE DEFENSE

(Conflict of Interest)

87. Further answering said first amended complaint, and as a tenth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18

through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 86, and 88, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because defendant Armstrong's former attorney, Michael Flynn, in conjunction with settling Armstrong's case against Scientology-related entities, also settled 30 other cases, including cases of his own against Scientology-related defendants without procuring outside counsel for defendant.

TWELFTH AFFIRMATIVE DEFENSE

(Duress and Undue Influence)

88. Further answering said first amended complaint, and as a Twelfth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 87, herein and allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, because plaintiff and other Scientology-related organizations, entities and individuals had implemented Fair Game Policy stratagems on defendant Armstrong's attorney, Michael J. Flynn and upon other anti-Scientology litigants and would continue such conduct against all such persons unless all said anti-Scientology litigants, including Flynn, signed settlement agreements substantially similar to that signed by defendant Armstrong.

Further, in early December 1986, attorney Flynn and other anti-Scientology litigants, postured Armstrong as a deal breaker, by stating that their desires to settle would be ruined unless defendant Armstrong agreed to settle and led him to believe if he did not sign the agreement, they would not cooperate in such event by acting as Armstrong's witnesses and zealous advocate on the trial of his cross-complaint against Scientology set to commence shortly thereafter in Armstrong I.

THIRTEENTH AFFIRMATIVE DEFENSE

(Laches)

89. Further answering said first amended complaint, and as a thirteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of laches.

FOURTEENTH AFFIRMATIVE DEFENSE

(Impossibility)

90. Further answering said first amended complaint, and as a fourteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of impossibility.

FIFTEENTH AFFIRMATIVE DEFENSE

(Frustration of Contractual Purpose)

91. Further answering said first amended complaint, and as a fifteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds of frustrating defendants', and each of their, ability to perform the terms of the settlement agreement.

SIXTEENTH AFFIRMATIVE DEFENSE

(Unfair and Unreasonable Contract)

92. Further answering said first amended complaint, and as a sixteenth separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is unreasonable and unfair as to defendant Armstrong.

SEVENTEENTH AFFIRMATIVE DEFENSE

(Lack of Mutuality)

93. Further answering said first amended complaint, and as a seventeenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement, as interpreted by plaintiff, lacks in reciprocity and mutuality.

EIGHTEENTH AFFIRMATIVE DEFENSE

(Ambiguity)

94. Further answering said first amended complaint, and as a eighteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement in ambiguous and incapable of enforcement.

NINETEENTH AFFIRMATIVE DEFENSE

(Lack of Adequate Consideration)

95. Further answering said first amended complaint, and as a nineteenth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is not supported by adequate consideration.

TWENTIETH AFFIRMATIVE DEFENSE

(Unconscionability)

96. Further answering said first amended complaint, and as a twentieth separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is unconscionable.

TWENTY-FIRST AFFIRMATIVE DEFENSE

(Adhesion)

97. Further answering said first amended complaint, and as a twenty-first, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement is a contract of adhesion.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(Hardship)

98. Further answering said first amended complaint, and as a twenty-second, separate and affirmative defense thereto, these

answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement would work an unfair hardship on defendants, and each of them.

TWENTY-THIRD AFFIRMATIVE DEFENSE

(Offset)

99. Further answering said first amended complaint, and as a twenty-third, separate and affirmative defense thereto, these answering defendants allege as follows:

Any damages that plaintiff has suffered in consequence of the alleged conduct is exceeded by the damages suffered by defendants, and each of them, in consequence of the misconduct of plaintiff, and plaintiff's agents' acts of Fair Game and therefore plaintiff should take nothing.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

(Liquidated Damages Act As Penalty)

100. Further answering said first amended complaint, and as a twenty-fourth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement's provision of liquidated damages is not an approximation of damage, but is intended to act and does act as a penalty.

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TWENTY-FIFTH AFFIRMATIVE DEFENSE

(First Amendment - Religion)

101. Further answering said first amended complaint, and as a twenty-fifth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of religion guaranteed by the state and federal constitutions.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

(First Amendment - Speech)

102. Further answering said first amended complaint, and as a twenty-sixth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of speech guaranteed by the state and federal constitutions.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

(First Amendment - Press)

103. Further answering said first amended complaint, and as a twenty-seventh, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of press guaranteed by the state and federal constitutions.

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TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(First Amendment - Association)

104. Further answering said first amended complaint, and as a twenty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of association guaranteed by the state and federal constitutions.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(Privacy)

105. Further answering said first amended complaint, and as a twenty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants', and each of them, on the grounds that the settlement agreement violates defendants, and each of them, right of privacy guaranteed by the state and federal constitutions.

THIRTIETH AFFIRMATIVE DEFENSE

(Implied Covenant of Good Faith and Fair Dealing)

106. Further answering said first amended complaint, and as a thirtieth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the conduct of plaintiff and its agents violates the implied covenant of good faith and fair dealing.

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THIRTY-FIRST AFFIRMATIVE DEFENSE

(Justification - Defense of Another, Interests of Third Persons, and the Public)

107. Further answering said first amended complaint, and as a thirty-first, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 88, herein and allege as follows:

At all relevant times, the acts of these answering defendants were privileged and justified because they were done in the defense of others, the interests of third parties, the interests of justice, and the interests of the public.

THIRTY-SECOND AFFIRMATIVE DEFENSE

(Res Judicata)

108. Further answering said first amended complaint, and as a thirty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff's complaint, and plaintiff's claims for equitable relief and for damages, are barred by the doctrine of res judicata.

THIRTY-THIRD AFFIRMATIVE DEFENSE

(Collateral Estoppel)

109. Further answering said first amended complaint, and as a thirty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff's complaint, and plaintiff's claims for equitable relief and for damages, are barred by the doctrine of collateral estoppel.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

(Failure to Mitigate Damages)

110. Further answering said first amended complaint, and as a thirty-fourth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff, and/or its agent, and/or its counsel, failed to take proper and reasonable steps to avoid or mitigate the damages alleged in the amended complaint, and to the extent of such failure to mitigate or to avoid, damages allegedly incurred by plaintiff, if any, should be reduced accordingly.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

(Action Barred By Equity and Civil Code Provisions)

111. Further answering said first amended complaint, and as a thirty-fifth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 88, herein and allege as follows:

Plaintiff is barred from judicial relief by the general principles of equity and the specific provisions of Part IV of the Civil Code, including but not limited to §§ 3512, 3517, 3519, 3524, (without any admission of wrongdoing by defendants) and 3533.

THIRTY-SIXTH AFFIRMATIVE DEFENSE

(Void As Against Public Policy)

112. Further answering said first amended complaint, and as a thirty-sixth, separate and affirmative defense thereto, these answering defendants repeat, reallege and incorporate by reference herein each and every allegation contained in paragraphs 1 through 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72 through 75, 81 through 88, herein and allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement is void as against public policy.

THIRTY-SEVENTH AFFIRMATIVE DEFENSE

(The Settlement Agreement Cannot Be Specifically Enforced)

113. Further answering said first amended complaint, and as a thirty-seventh, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement cannot be specifically enforced.

THIRTY-EIGHTH AFFIRMATIVE DEFENSE

(The Settlement Agreement Cannot Be Specifically Performed)

114. Further answering said first amended complaint, and as a thirty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement cannot be specifically performed.

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THIRTY-NINTH AFFIRMATIVE DEFENSE

(Due Process)

115. Further answering said first amended complaint, and as a thirty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of due process of law as protected by the state constitution and by the Fifth and Fourteenth Amendments to the federal constitution.

FORTIETH AFFIRMATIVE DEFENSE

(Equal Protection)

116. Further answering said first amended complaint, and as a thirty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of equal protection of law as guaranteed by the state constitution and by the federal constitution.

FORTY-FIRST AFFIRMATIVE DEFENSE

(Right to Counsel)

117. Further answering said first amended complaint, and as a forty-first, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the settlement agreement deprives defendants, and each of them, other third parties and the public of their right to counsel as protected by the state constitution and by the Sixth Amendment to the federal constitution.

FORTY-SECOND AFFIRMATIVE DEFENSE

(Public Domain)

118. Further answering said first amended complaint, and as a forty-second, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the information that defendants, and each of them, are accused of disclosing is in the public domain.

FORTY-THIRD AFFIRMATIVE DEFENSE

(Privilege)

119. Further answering said first amended complaint, and as a forty-third, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from judicial relief because the acts that defendants, and each of them, are accused of having committed are privileged.

DEMAND FOR JURY TRIAL

Defendants, and each of them, hereby demand this case be tried by a jury.

WHEREFORE, Defendant Armstrong prays for relief as follows:

1. That CSI takes nothing by its complaint;
2. That Armstrong recover his costs of suit herein;
3. That Armstrong recover his attorney's fees and costs of defending the suit herein;
4. That the Court award such further relief as it may deem proper.

Respectfully submitted,

DATED: October 7, 1992

HUB LAW OFFICES

By:

FORD GREENE
Attorney for Defendant

VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on October 7, 1992 at San Anselmo, California.

By:________________________
GERALD ARMSTRONG

VERIFICATION

I, the undersigned, am an officer of defendant The Gerald Armstrong Corporation in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the October 7, 1992 at San Anselmo, California.

By: ____________________
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: AMENDED ANSWER OF GERALD ARMSTRONG AND THE GERALD ARMSTRONG CORPORATION TO AMENDED COMPLAINT

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

Graham E. Berry, Esquire
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: October 7, 1992